



The Real Estate ANALYST

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Editor

A concise easily digested periodic analysis based upon scientific research in real estate fundamentals and trends...Constantly measuring and reporting the basic economic factors responsible for changes in trends and values....Current Studies.... Surveys....Forecasts

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REAL ESTATE ECONOMISTS, APPRAISERS AND COUNSELORS

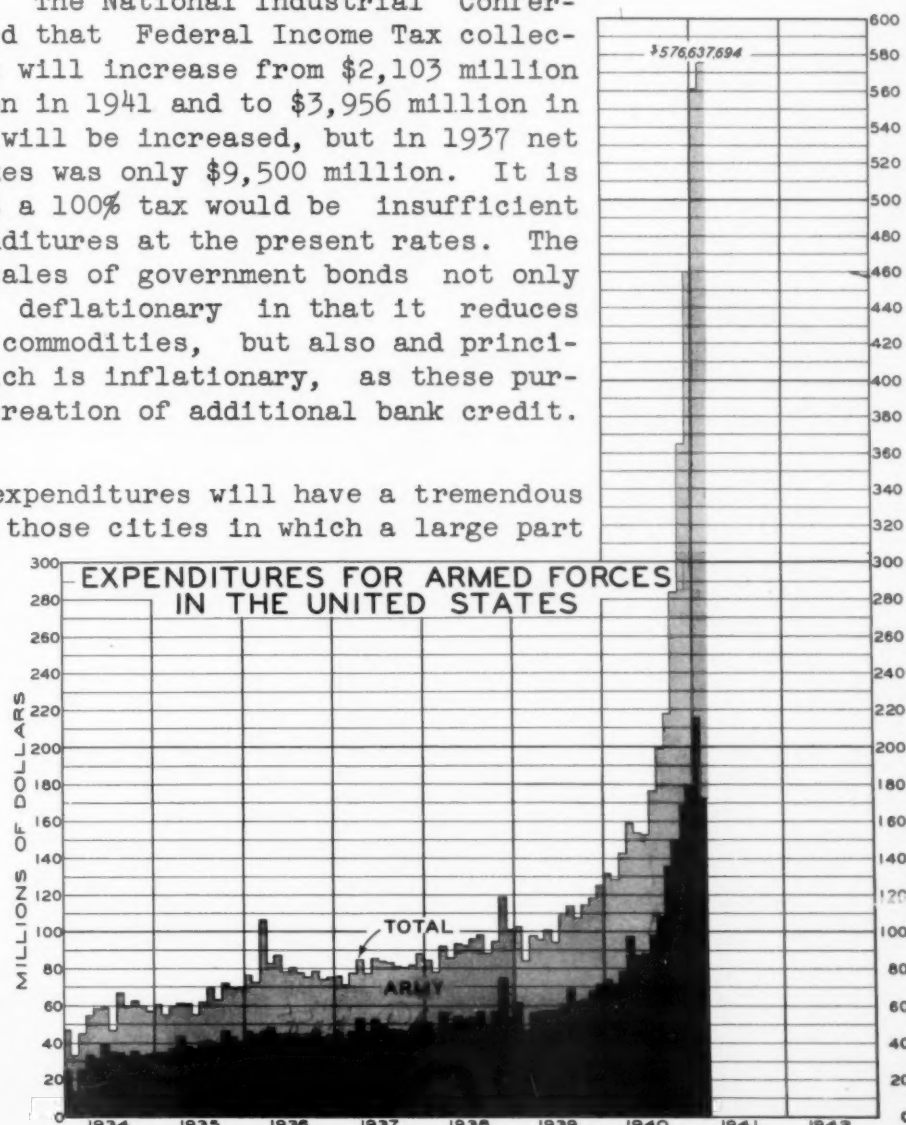
VOLUME X

GEOGRAPHICAL DISTRIBUTION OF DEFENSE EXPENDITURES

DURING February (a short month) the expenditures for the armed forces of the United States increased only slightly over the January level as shown by the chart below. March, however, will show a rapid increase, and before the end of the year we may see more than a billion spent in a single month.

These expenditures will result in feverish activity in the period and in the places in which they are being made, but a day of reckoning will follow. These expenditures added to the already excessive costs of peace-time government built up under the New Deal cannot be met by taxes, regardless of the rate. The National Industrial Conference Board has estimated that Federal Income Tax collections under present laws will increase from \$2,103 million in 1940 to \$2,920 million in 1941 and to \$3,956 million in 1942. Of course taxes will be increased, but in 1937 net taxable income after taxes was only \$9,500 million. It is probably higher now, but a 100% tax would be insufficient to meet government expenditures at the present rates. The balance must be met by sales of government bonds not only to consumers, which is deflationary in that it reduces their expenditures for commodities, but also and principally to the banks, which is inflationary, as these purchases are made by the creation of additional bank credit.

Emergency defense expenditures will have a tremendous effect on business in those cities in which a large part of this work will be done. During the period in which these expenditures are being made boom conditions will continue in those cities, and the demand for housing will be great. Rents will rise, followed later by values. There will be a heavy demand for mortgage money.-- Office building vacancy will disappear, and new office space will then be needed.



(continued from page 73)

GEOGRAPHICAL DISTRIBUTION OF DEFENSE EXPENDITURES

In many of these cities undoubtedly permanent new construction may be justified, but real estate operators and mortgage lenders should have constantly before them the source of this prosperity and the fact that its duration will be limited.

In order to enable our subscribers to judge the extent of emergency defense expenditures being made in any area, Real Estate Analysts, Inc., has started a card file by cities and counties of all of these expenditures listed by the Office of Government Reports. The table on pages 84-87 summarizes these expenditures from June 13, 1940, to February 28, 1941, by cities or counties, and the map on pages 82-83 shows the relative amount spent in each county of the United States. It should be pointed out, however, that while these expenditures have been listed in the government reports and on some of them the work has been completed, on others the work will be done over a period of months or years - as, for instance, in the building of large ships.

A number of problems have arisen in connection with the geographical distribution of emergency defense expenditures, and a number of other observations must be made if the table and map are to be of the greatest value.

1. We have attempted to distribute insofar as we could the expenditures to the place where the greater part of the work was actually to be done.

2. In the table expenditures for a camp located adjacent to a city have been credited to that city as the employment created would affect directly the city in question.

3. An asterisk after the name of a city indicates a metropolitan area in which the suburbs have been included with the city. In some cases the suburbs included may be in a different state from the central city; for instance, Council Bluffs is included with Omaha, Camden with Philadelphia, East St. Louis, Granite City and Alton with St. Louis, and many places in New Jersey with New York.

4. The state totals shown are not comparable with the figures by cities and counties but are the official state totals released by the government covering the period from July 1 through February 28. They do not in any way attempt to allocate the expenditures to the exact location where the work is to be done. For instance, a contract to a large corporation would be listed in the state in which the corporation had its headquarters, although the actual work might be divided between plants in a number of different states.

5. Any distribution of primary expenditures on the part of the government will fail to affect sufficiently the totals for certain larger industrial areas. This is particularly true of Pittsburgh, Birmingham, Bethlehem, etc. The large steel plants in these cities will receive tremendous increases in their orders, not necessarily directly from the government but from other manufacturers who have received government orders requiring steel as a raw material. The same general principle applies in many other fields, even to the grazing districts of the West and the Southwest. The orders for woolen uniforms will affect much of the sheep territory, and the purchases of canned foods distributed in the government contracts to the canners will be redistributed to the original producers.

REARMAMENT, WAGE LEVELS AND EMPLOYMENT

IN July of last year Real Estate Analysts, Inc., charted for 83 cities the levels of wages and employment, with the idea that a study of the relative changes in the various cities would show those in which basic economic conditions were improving and those in which relatively little improvement had taken place. We have continued this study on pages 78 to 81 in this report to see what effect the rearmament program has had in the country at large and which cities have been most definitely affected.

The chart at the bottom of this page shows the average (median) of the 83 cities for both wages and employment. These averages are repeated on each of the 83 city charts in red, so that it becomes quite easy in each city to compare the local levels with the averages of all cities.

On all of these charts the wage figures are charted in actual dollars. In order to use the same numerical scale for employment, 1000 rather than 100 was used as a base in 1937. By imagining a decimal point before the last figure on the scale it is easy to read this on the more familiar basis of 1937=100.0.

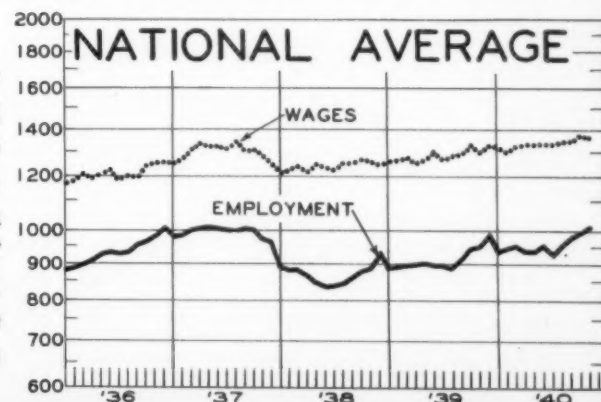
The material we have used as the basis of our wage computations is taken from the monthly releases on employment and payrolls in identical establishments published by the Bureau of Labor Statistics. The average wage each month was computed by dividing the total payroll by the total number of employees.

The material used in our index of employment was based both on the Federal Census of Business of 1935 and on the monthly releases on Employment and Payrolls of the Bureau of Labor Statistics.

The base we have used in the Census of Business includes all manufacturing establishments, retail and wholesale distributors, office employment, mining and quarrying, construction, hotel and miscellaneous. It does not include proprietors; professional workers; those engaged in transportation, communication and educational work; public utility employees; federal, state, county and municipal employees; and agricultural workers. The index was prepared by dividing the average wage income per family by the average wage of employed persons. This was then converted to the 1937 base.

In using the Census of Business as a base, all counties were included in the city figures when one half or more of the population of the county was a part of the metropolitan area of the city. The monthly releases on Employment and Payrolls include those employed in the city, regardless of their place of residence.

Unfortunately the figures are not now available for the months past November, and the greatest increases have taken place since then; but the effect of the rearmament program has already become apparent in a number of cities in the latter half of 1940. It will be noticed on the national averages that both wages and employment are at the highest point for the five years shown.



CONSTRUCTION COST FIGURES OF THE FEDERAL HOME LOAN BANK BOARD AND THE REAL ESTATE ANALYST

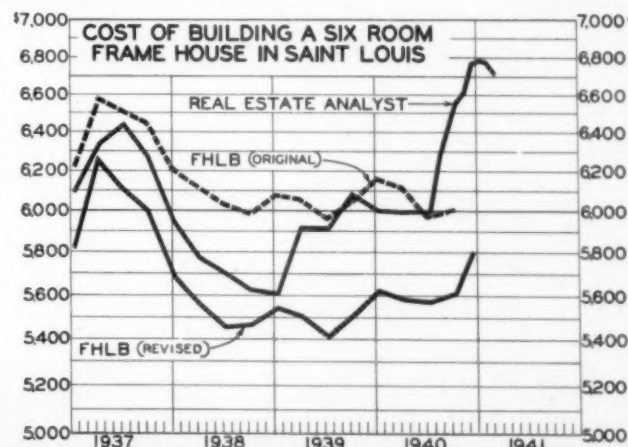
REAL ESTATE ANALYSTS, Inc., from the first year of its existence has stressed the effects on real estate of changes in construction costs. One of the first major research jobs we tackled was the computation of monthly changes in construction costs on five different kinds of typical buildings actually erected in St. Louis. As early as 1932 these studies were published in our regular reports, following the cost fluctuations from 1913 to that time, giving detailed tables showing the variations in each type of material, labor and overhead.

In 1936 the Federal Home Loan Bank Board started the publication of construction cost figures for 64 cities, St. Louis being one of the 64. They selected as the basis for their figures a six-room frame residence of rather typical design, and they published rough specifications of the building. Real Estate Analysts, Inc., immediately drew up plans and detailed specifications for a house to be built in St. Louis conforming as nearly as possible to their general specifications. The cost of building this house was computed at that time, and the resulting figure was rather close to theirs. A difference in the total cost is of no significance, however, as no two builders would build the same house at exactly the same cost. The chief thing which the FHLBB was trying to establish and which our figures have always aimed at was not an actual construction cost but a measurement of the percentage variations in construction costs from month to month.

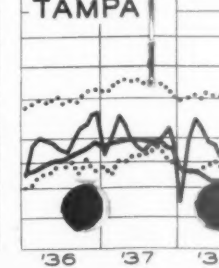
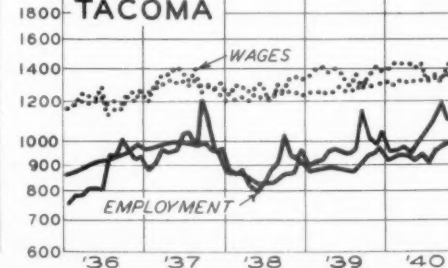
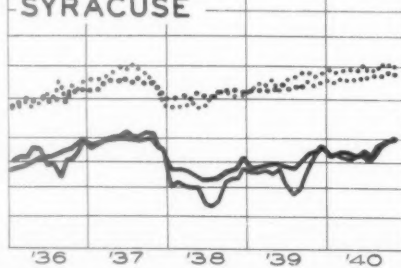
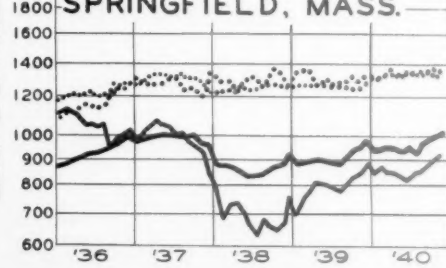
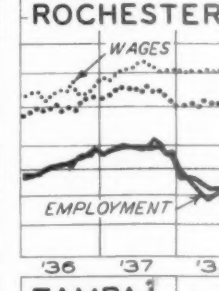
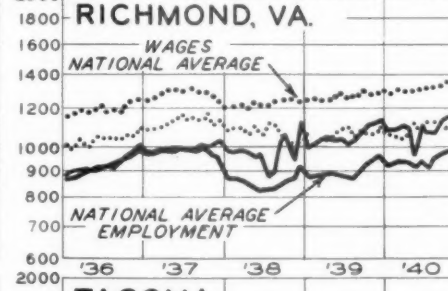
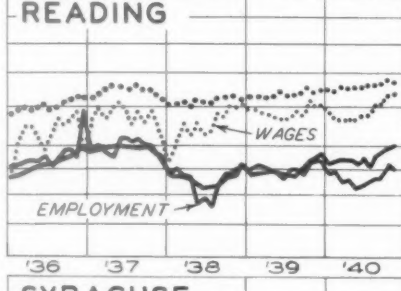
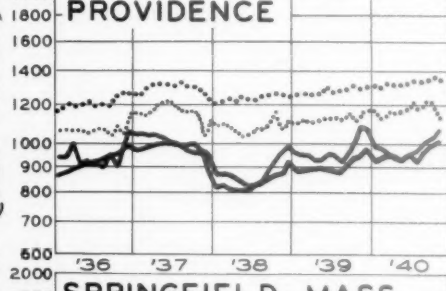
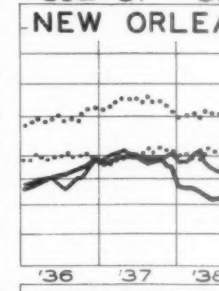
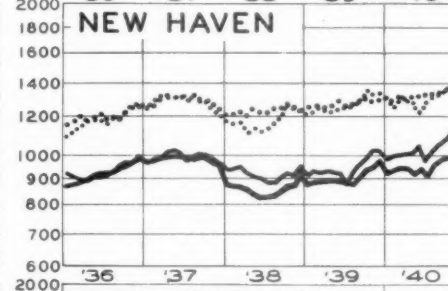
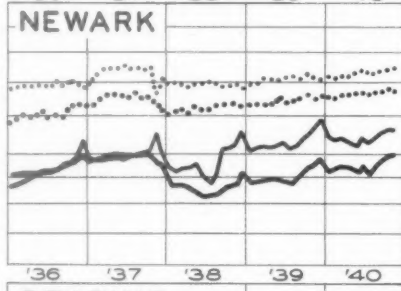
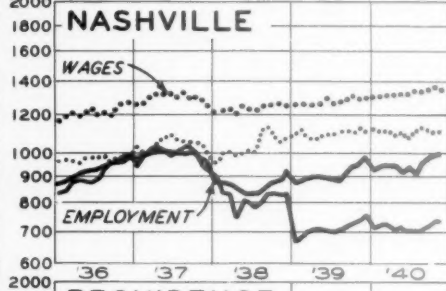
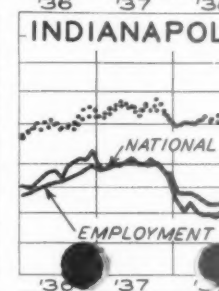
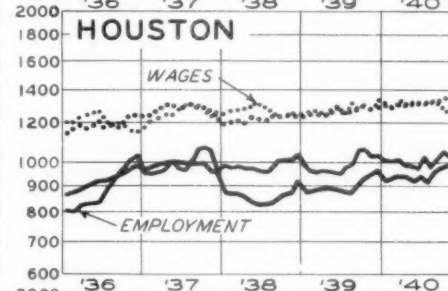
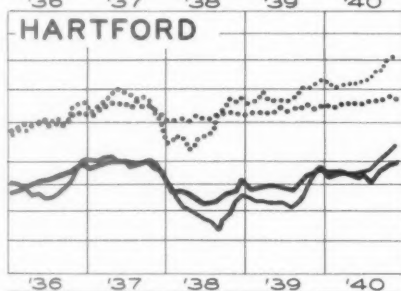
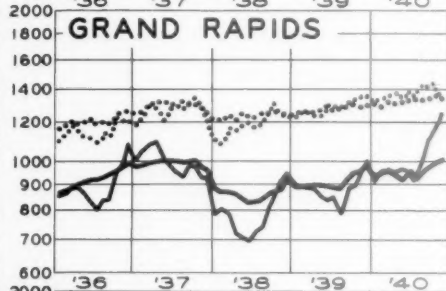
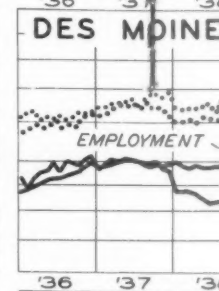
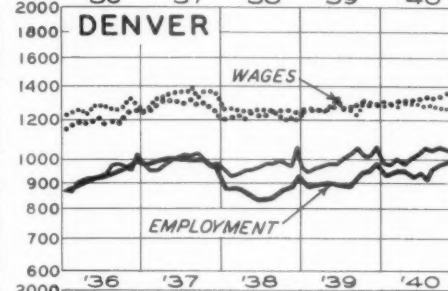
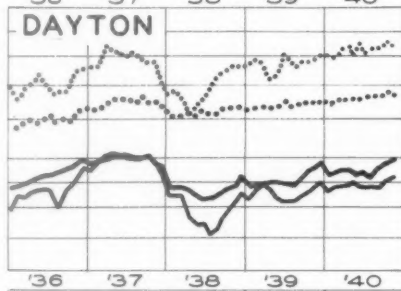
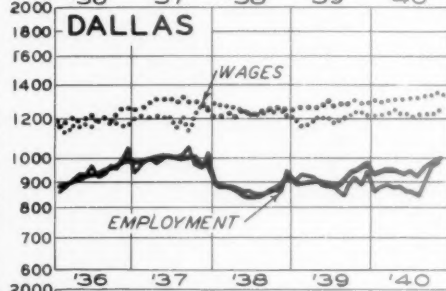
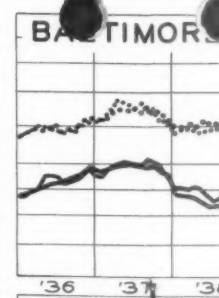
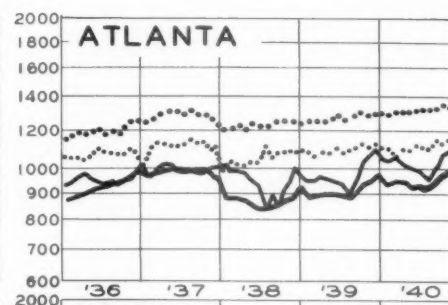
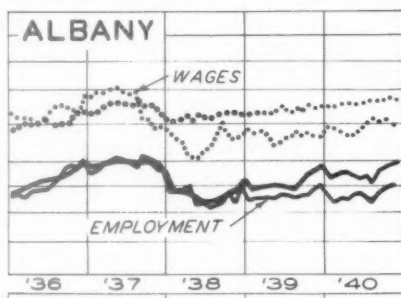
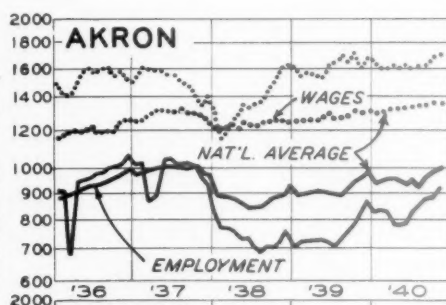
The cost figures of Real Estate Analysts, Inc., on this six-room frame residence were then worked back to 1913 from the material, labor and overhead figures which we had previously accumulated on other residential structures, and our cost figures have been carried forward to the present time. The table on the page opposite shows a detailed breakdown of our figures from 1937 to the present. The figures back to 1913 are shown on page 270 of the November 27, 1940, Real Estate Analyst. The figures from 1937 on should be comparable in their percentage fluctuations with the quarterly figures released by the FHLBB on their St. Louis house.

In November 1940 we wrote the Federal Home Loan Bank Board and called their attention to the fact that their cost figures were showing a totally different trend than ours. Again in January the editor of the Real Estate Analyst called at their offices in Washington and discussed this discrepancy further. As a result the FHLBB rechecked their figures and early in 1941 issued revised figures for St. Louis, varying in some months by more than \$500 from their original figures. Their original figures on St. Louis and their revised figures are shown in comparison with the figures of Real Estate Analysts at the bottom of the page opposite. The revised figures, however, did not solve the difficulty as they widened the discrepancy between the figures of Real Estate Analysts and the figures which the FHLBB had previously published.

At the bottom of this page we have charted the original FHLBB figures for

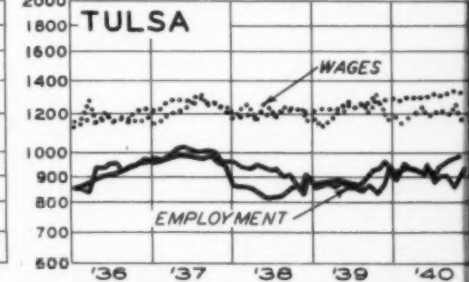
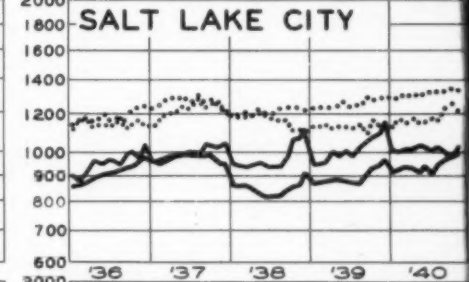
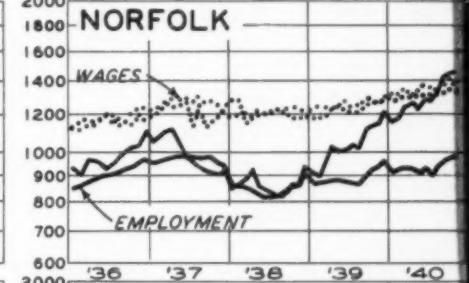
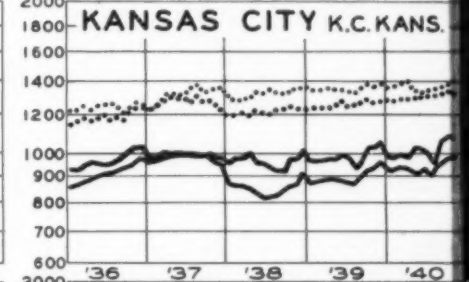
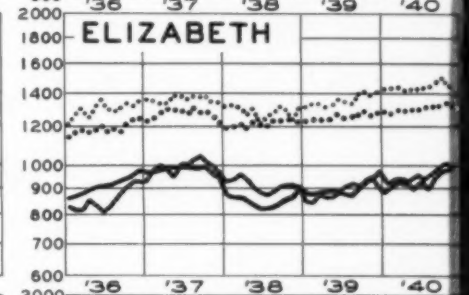
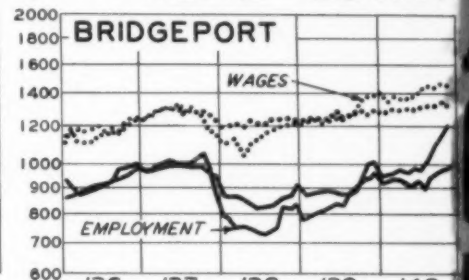
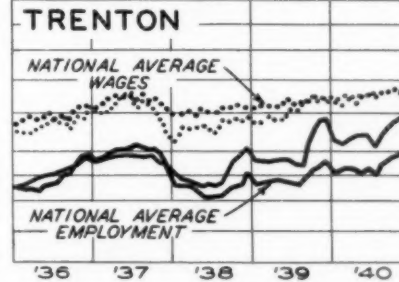
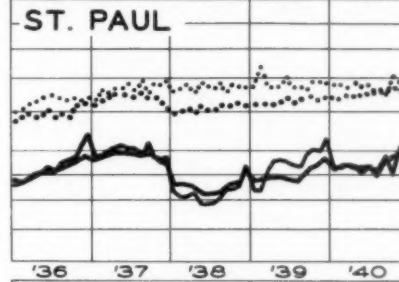
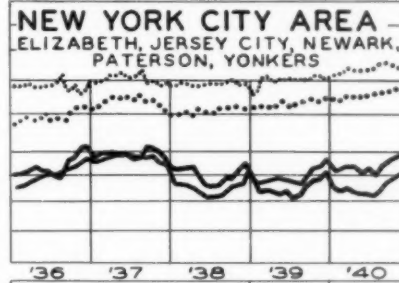
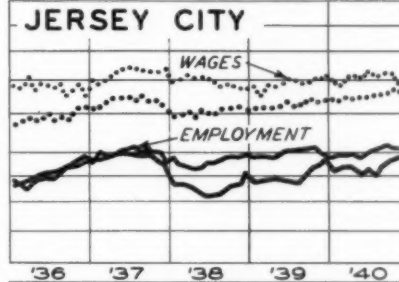
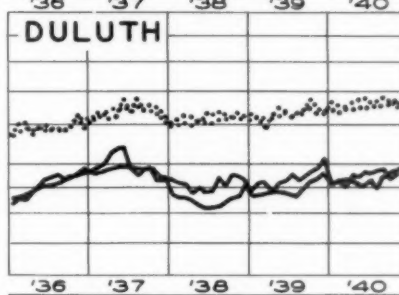
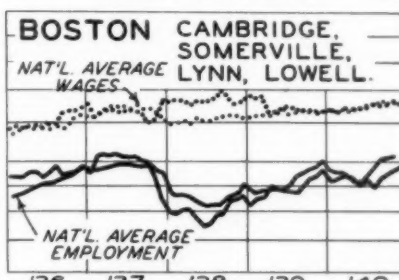
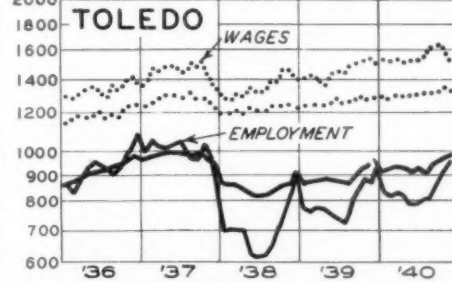
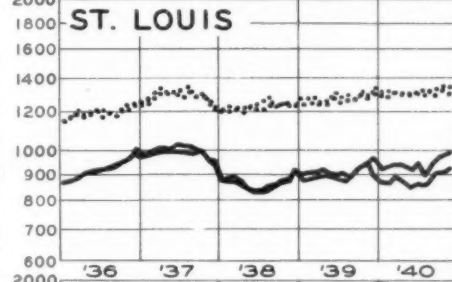
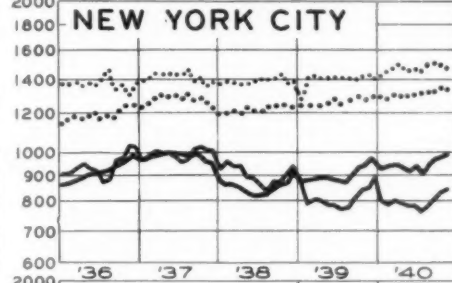
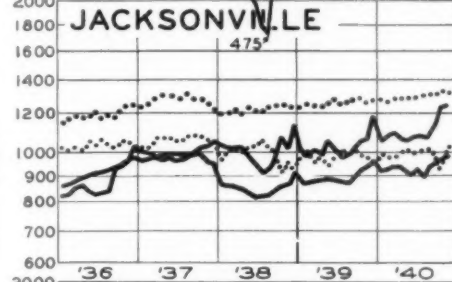
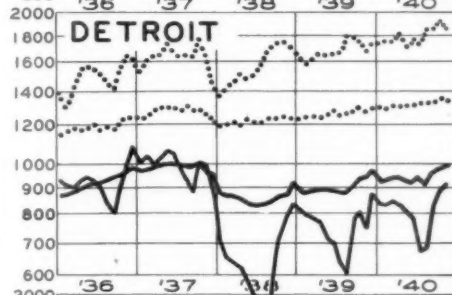
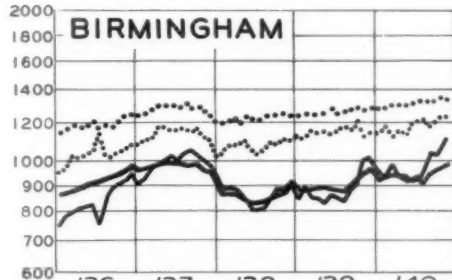
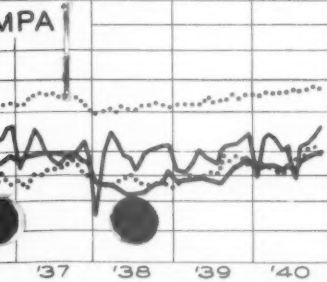
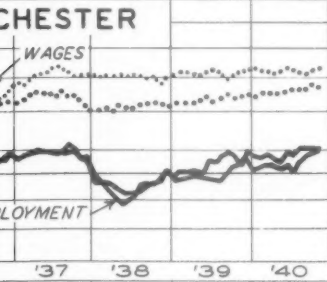
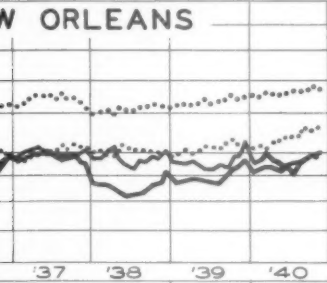
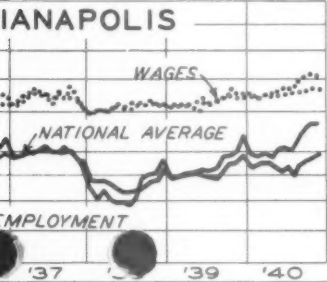
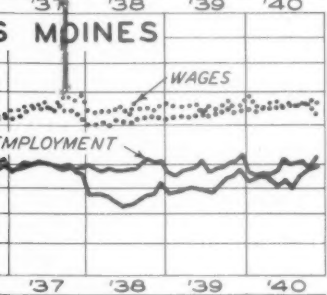
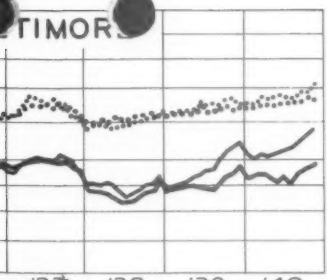


EMPLOYMENT (1937 = 1000) & AVERAGE ANNUAL WAGE PER EMPLOYED PERSON IN \$



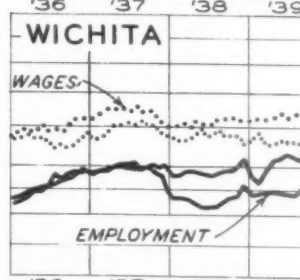
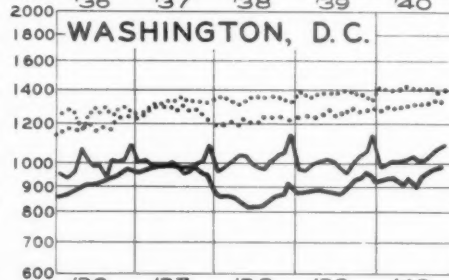
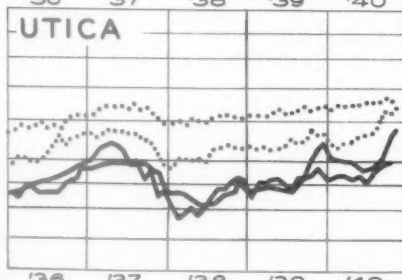
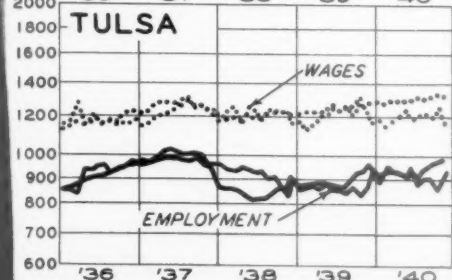
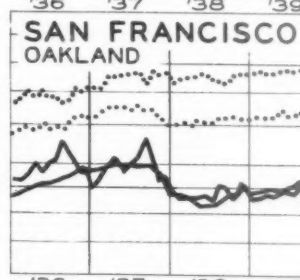
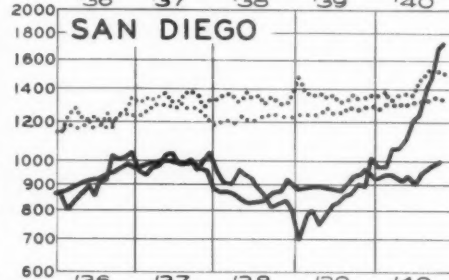
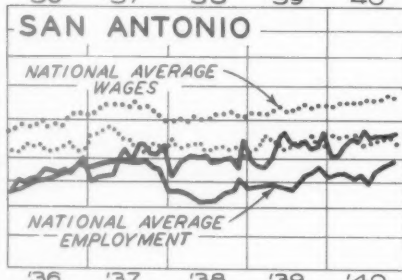
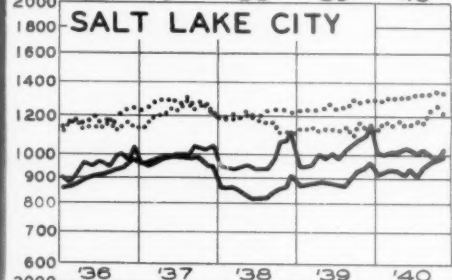
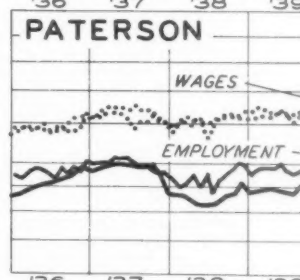
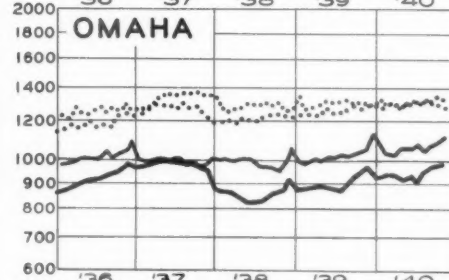
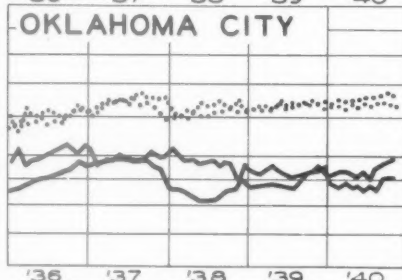
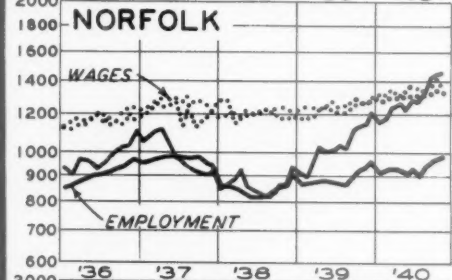
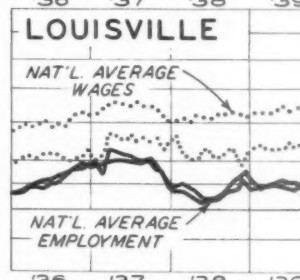
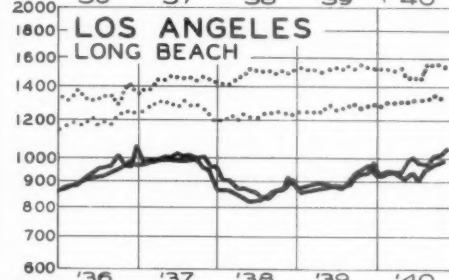
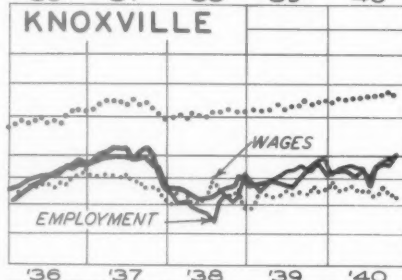
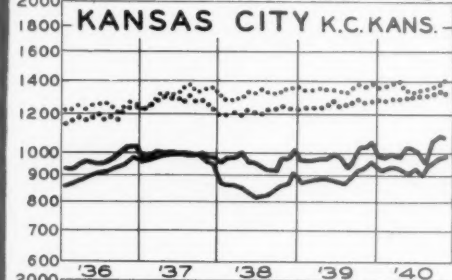
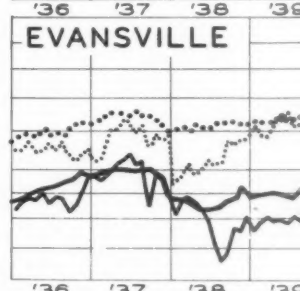
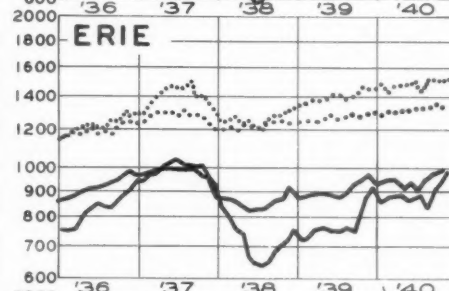
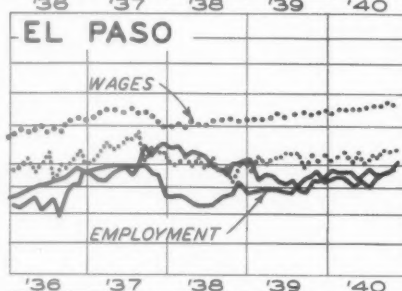
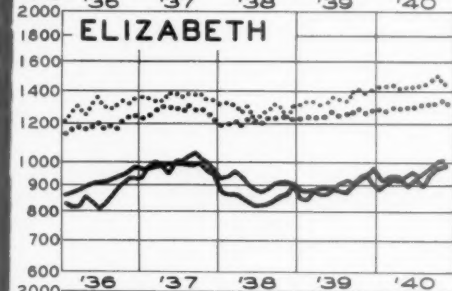
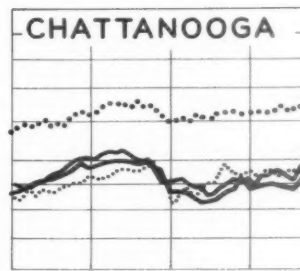
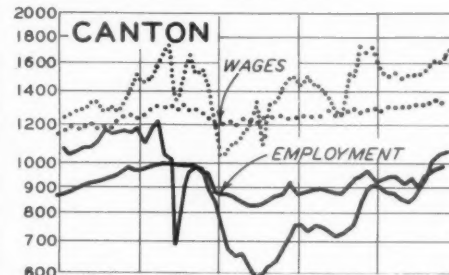
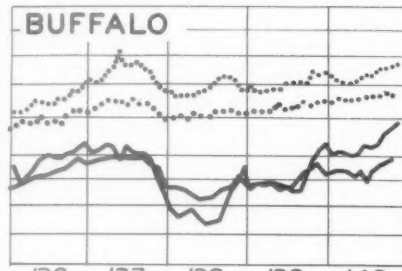
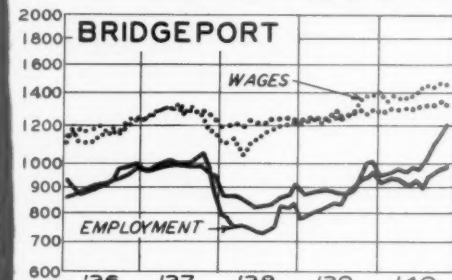
EMPLOYMENT AND AVERAGE ANNUAL

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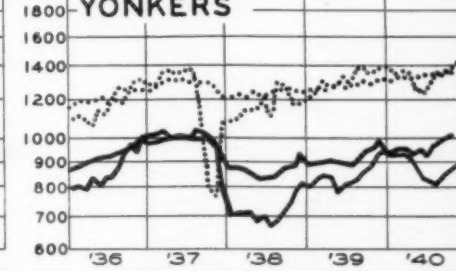
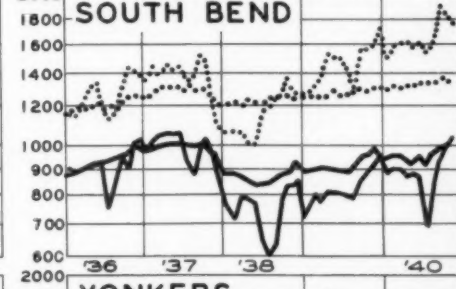
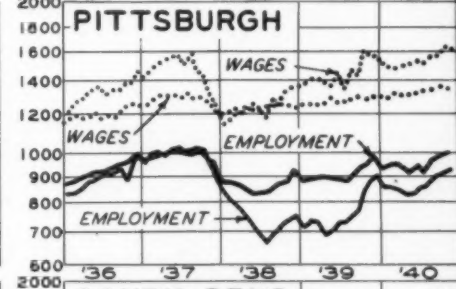
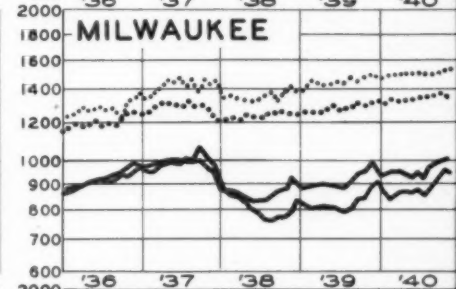
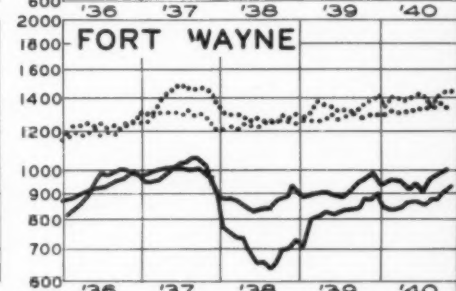
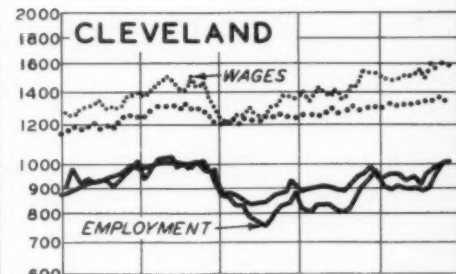
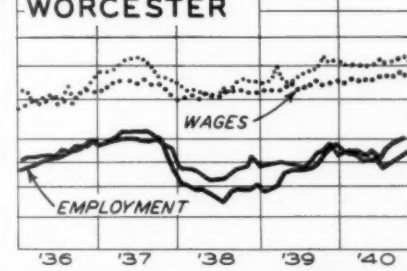
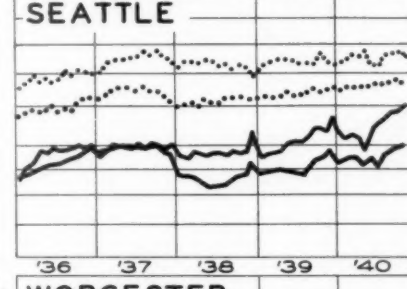
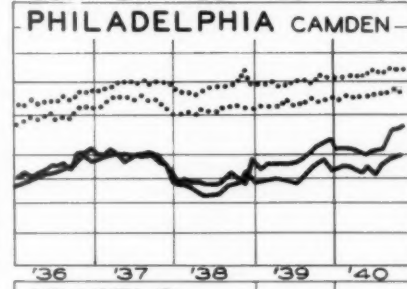
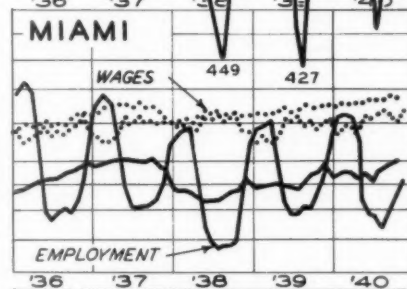
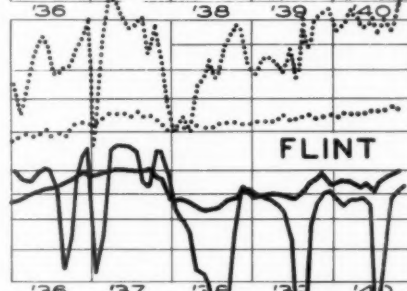
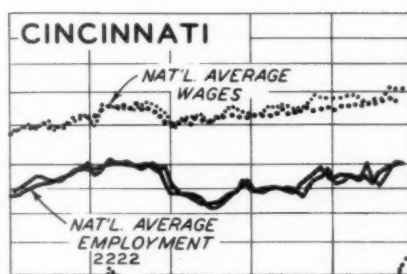
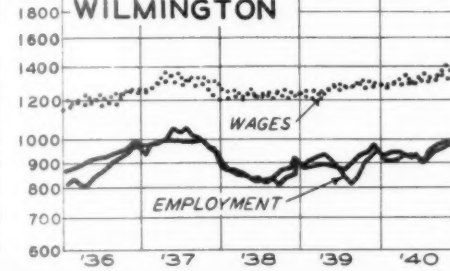
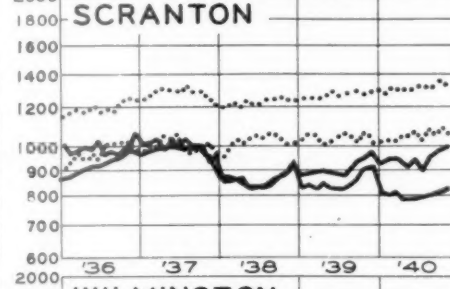
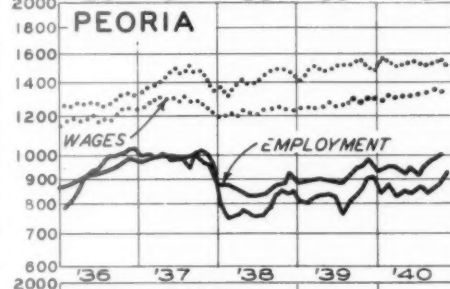
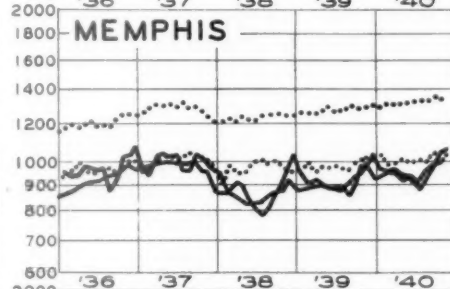
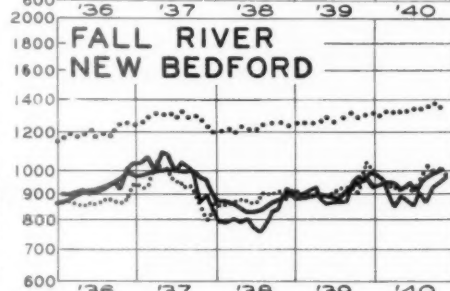
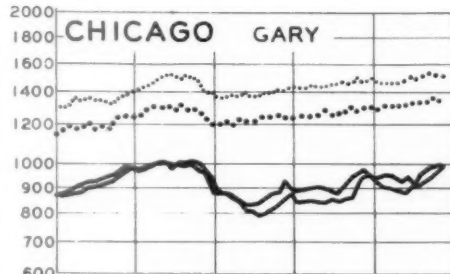
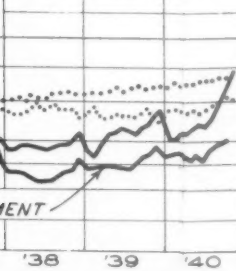
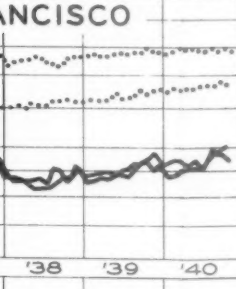
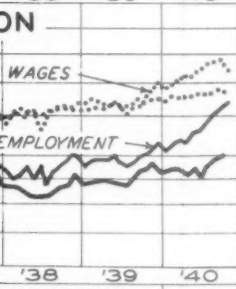
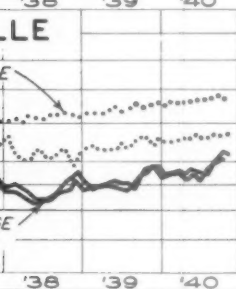
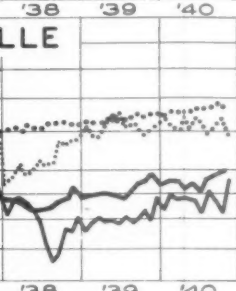
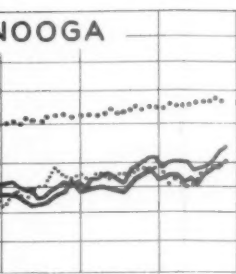


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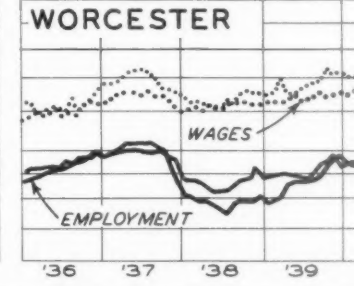
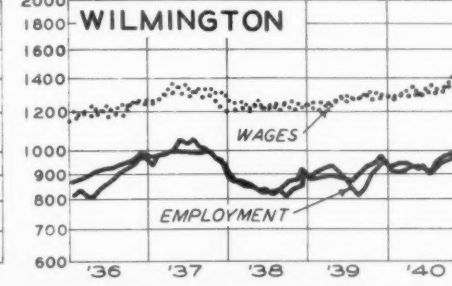
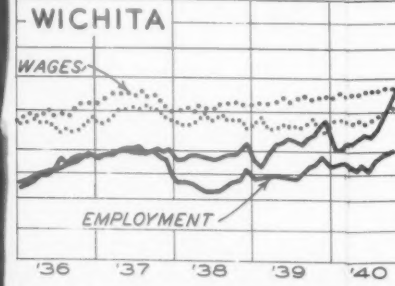
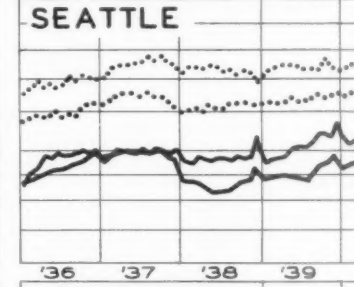
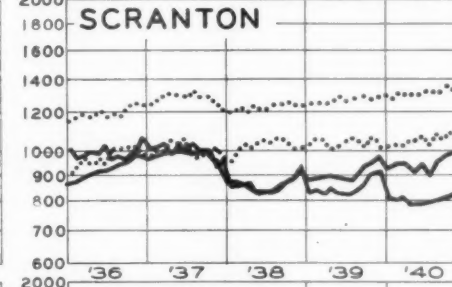
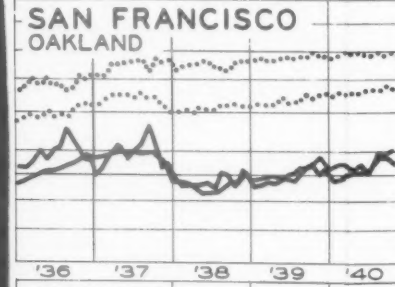
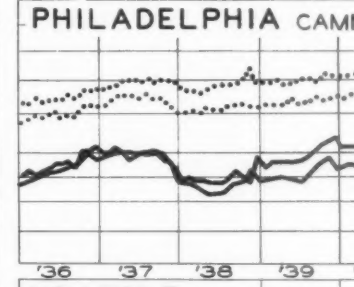
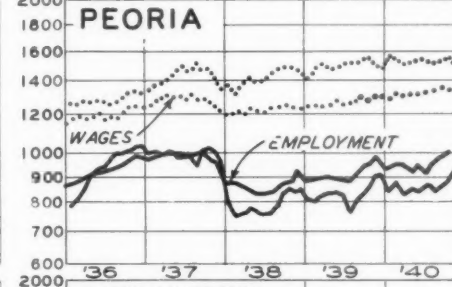
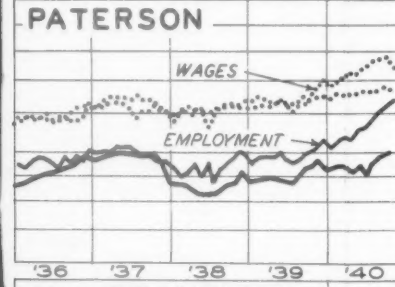
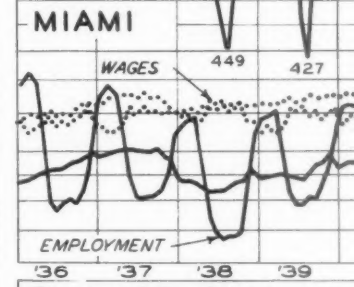
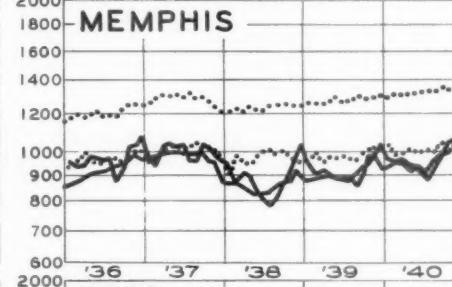
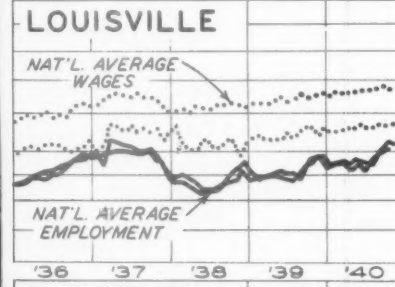
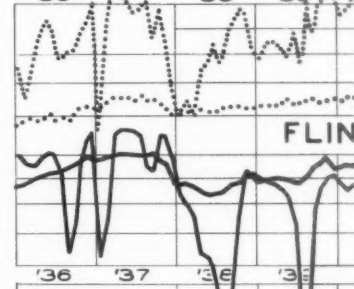
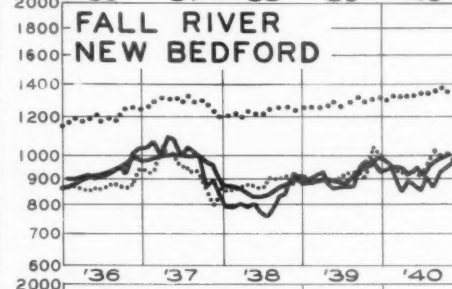
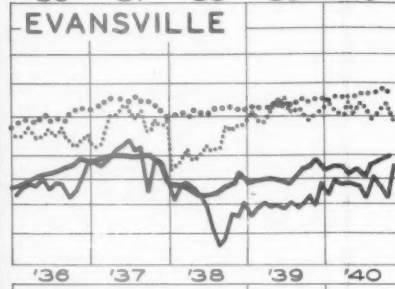
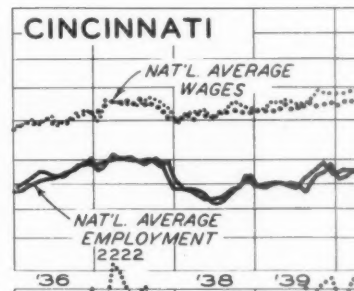
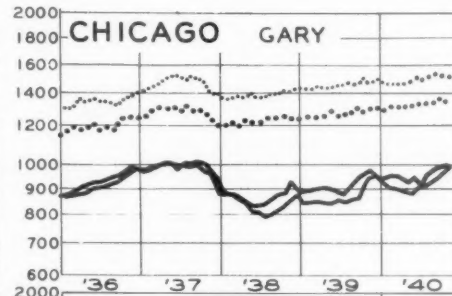
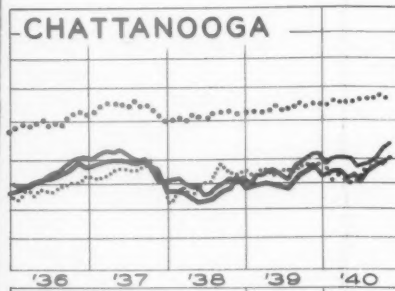
41 ~ REAL ESTATE ANALYSTS, INC. ~ SAINT LOUIS

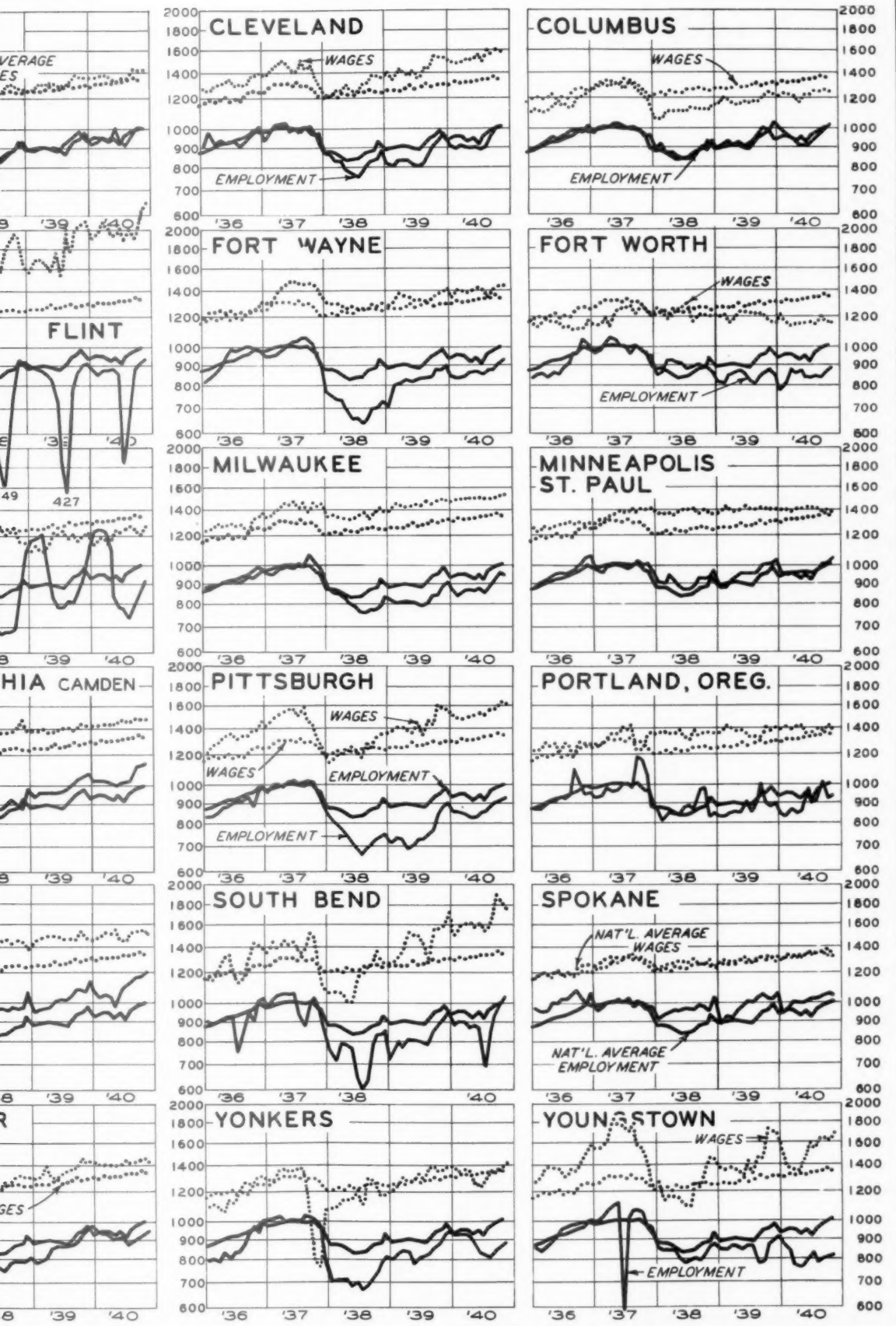


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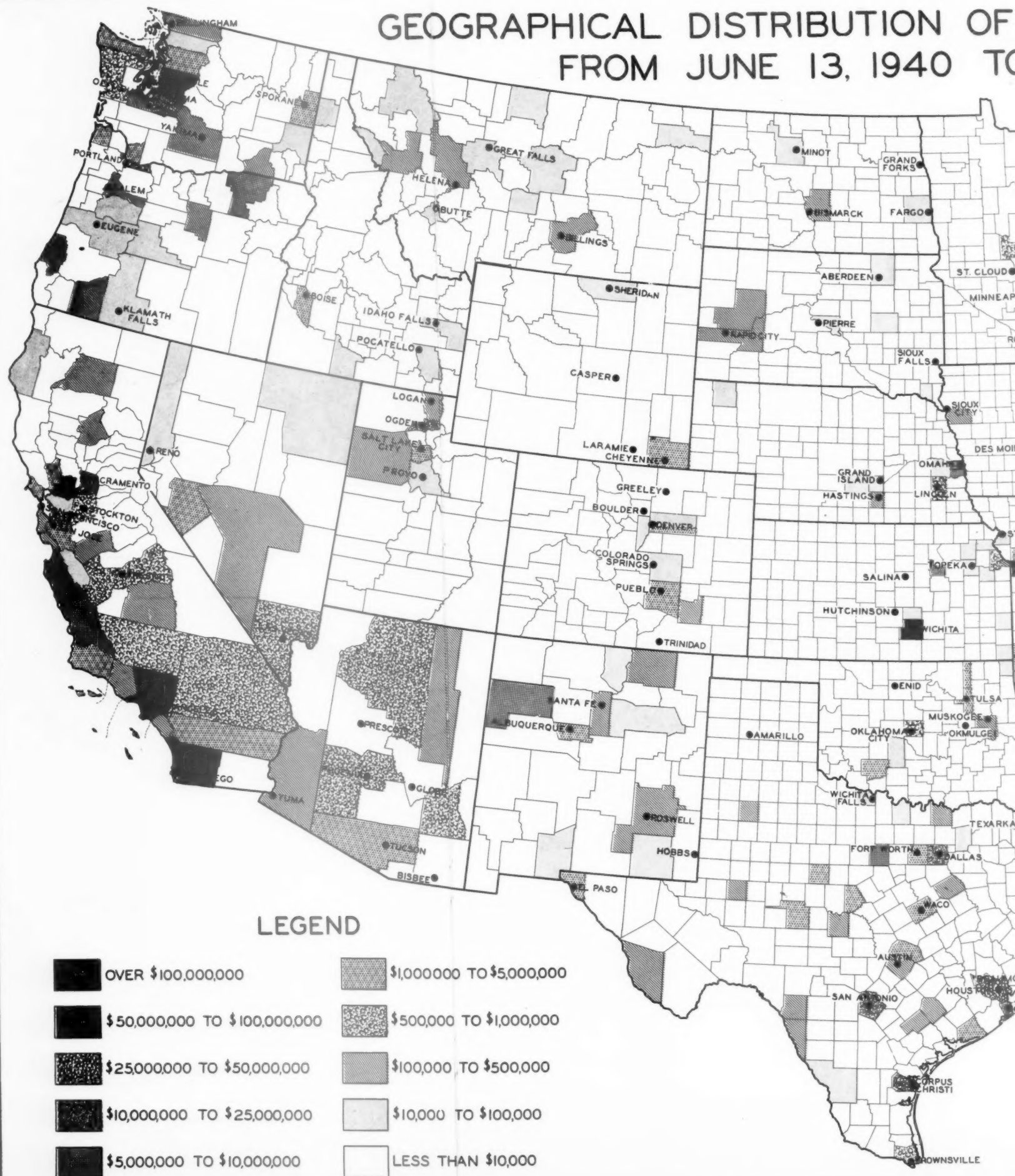


METROPOLITAN AREAS





GEOGRAPHICAL DISTRIBUTION OF FROM JUNE 13, 1940 TO



N OF DEFENSE EXPENDITURES 40 TO MARCH 1, 1941



GEOGRAPHICAL DISTRIBUTION OF DEFENSE EXPENDITURES

Location	Amount (in 000's)	Location	Amount (in 000's)	Location	Amount (in 000's)	Location	Amount (in 000's)
ALABAMA	\$164,118*	Palm Springs	\$ 470	Key West	\$ 1,318	Dixon	7
Andalusia	161	Paso Robles	254	Lake City	137	Elgin	443
Anniston	13,676	Pittsburg	43	Lakeland City	273	Fairfield	119
Auburn	5	Point Reyes	10	Lake Wales	43	Freeport	132
Birmingham**	9,980	Redding	198	Lawtey	111	Galesburg	55
Chickasaw	31,784	Riverside	3,379	Lee County***	108	Geneva	38
Childersburg	62,391	Sacramento	18,596	Melbourne	212	Genoa	380
Dauphin Island	50	Salinas	626	Miami**	5,545	Hamilton	9
Elba	41	San Diego**	263,640	Ocala	101	Hanover	133
Enterprise	21	San Francisco**	475,538	Opalocka	370	Highland	61
Fairfax	139	San Jose	911	Orlando	1,513	Jacksonville	19
Fayette County***	47	San Luis Obispo	4,287	Palatka	62	Joliet	18
Florola	117	San Simeon	5	Panama City	149	Kankakee	12
Florence	1,506	Santa Barbara	3,439	Pensacola	8,597	Kewanee	1,734
Foley	45	Stego	4	St. Augustine	21	Lacon	59
Gadsden	1,205	Stockton	515	Sarasota	337	La Salle	244
Huntsville	58	Visalia	314	Starke	9,198	Macomb	77
Lamar County***	36	Watsonville	459	Tallahassee	1,463	Metropolis	91
Lanett	172	COLORADO	128,508*	Tampa**	8,010	O'Fallon	279
Leeds	14			Tarpon Springs	21	La Salle	7
Marion County***	11	Adams County***	560	Valparaiso	964	Peoria	1,083
Mobile	4,466	Arapahoe County***	560	West Palm Beach	2,424	Quincy	834
Montgomery	3,778	Burlingham	2	Winterhaven	30	Rantoul	6,123
Muscle Shoals	31,500	Colorado Springs	12	Zephyrhills	43	Rochelle	357
Scottsboro	150	Denver**	122,476	GEORGIA	45,726*	Rockford	5,393
Selma	234	Englewood	922			St. Charles	59
Shawmut	24	Golden	92	Albany	1,316	Savanna	9,045
Sheffield	41,401	La Junta	401	Americus	275	Springfield	270
Talladega	3	Pueblo	4,536	Andersonville	14	Streator	28
Tallassee	2	CONNECTICUT	538,586*	Athens	213	Wilmington	68,138
Tuscaloosa	3			Atlanta**	9,659	Zion	30
Uniontown	4	Bridgeport	137,174	Augusta	314	INDIANA	418,858*
ARIZONA	5,518*	Collinsville	2	Chattahoochee Nat'l			
Ajo	405	Danbury	285	Forest	70	Anderson	4,903
Flagstaff	27	East Killingly	15	Columbus	106	Burns City	2,500
Phoenix**	675	Fitchville	447	Cornelia	157	Cambridge City	87
Pina	784	Gilman	126	Fort Benning	12,612	Columbus	89
Tombstone	1,560	Groton	75,551	Fort Oglethorpe	616	Elkhart	2
Tucson	776	Hartford	234,778	Griffin	44	Evansville**	16,131
Valle	557	Moosup	12	La Fayette	6	Fort Wayne	780
Winslow	482	New Haven	5,126	La Grange	365	Franklin	89
Yuma	421	New London	51,071	Lumber City	2	Goshen	2
ARKANSAS	6,117*	Norwich	13	Macon	8,317	Greenwood	89
Conway	7	Simsbury	66	Marietta	101	Huntington	12
Fort Smith	117	South Coventry	35	Monroe	15	Indianapolis**	98,289
Hot Springs	83	Sterling	78	Moultrie	39	Kendallville	6
Jonesboro	130	Torrington	253	Newnan	12	Kokomo	508
Little Rock	5,161	Waterbury	35,319	Palmetto	25	La Porte	277
Paragould	25	Waregan	337	Rome	163	Lebanon	525
Pine Bluff	69	West Mystic	48	Savannah	4,518	Logansport	312
Prescott	23	Willimantic	35	South Griffin	132	Madison	4,653
Rogers	23	Windham	158	Toccoa	5,759	Marion	159
Russellville	5	Winsted	58	Trion	308	Michigan City	988
CALIFORNIA	1,267,070*	Yantic	242	Union Point	30	Montpelier	205
Bakersfield	513	DELAWARE	25,745*	Villa Rica	79	New Paris	12
Carmel	5			Winder	403	North Manchester	13
Chico	41	Delaware City	1,149	IDAHO	1,842*	Portland	352
Daggett	389	Dover	122	Boise	1,543	Richmond	1,038
Eureka	17	Georgetown	20	Idaho Falls	99	Rochester	23
Fresno	508	Leves	2	Kellogg	8	Seymour	514
Hollister	21	Milford	203	Pocatello	14	South Bend**	69,407
Hunters Point	899	Wilmington**	49,213	Springston	69	Terre Haute	128
Los Angeles**	536,146	FLORIDA	61,759	Twin Falls	36	Union Center	38,377
Merced	118			ILLINOIS	297,831*	Valparaiso	8
Monterey	5,707	Avon Park	118	Aurora	1,215	Warsaw	24
Muroc Lake	313	Bradenton	507	Belvidere	1	Wabash	229
Nacimiento	6,019	Clearwater	3,240	Bloomington	18	West Lafayette	6
Napa	2,064	Cocoa	68	Cairo	41	IOWA	57,314*
Nichols	8	Cocoa Beach	22	Carbondale	4	Amana	55
Oroville	206	Daytona Beach	185	Carmi	507	Ames	26
Oxnard	206	De Land	120	Champaign	433	Burlington	52,589
Palmdale	351	Fort Myers	64	Chicago**	188,768	Cedar Rapids	1,274
		Gainesville	5	Danville	153	Clinton	491
		Jacksonville**	18,861	Decatur	23	Davenport	39,410
						Des Moines	646
						Dubuque	265

* State figures cover July 1, 1940, to February 28, 1941.

** Includes suburbs.

*** County expenditures not distributed by city.

Location	Amount (in 000's)	Location	Amount (in 000's)	Location	Amount (in 000's)	Location	Amount (in 000's)
IOWA (continued)		Rockland	\$ 604	Farmington	\$ 573	St. Louis**	\$314,595
Grinnell	24	Sanford	358	Flint**	24,743	Sedalia	144
Herrold	281	South Bristol	300	Grand Haven	17	Slater	131
Iowa City	181	South Portland	186	Grand Rapids	1,744	Springfield	237
Mason City	24	Southwest Harbor	36	Grayling	192	Tipton	123
Sioux City	218	Waterville	2,463	Greenville	1	Warrensburg	20
Waterloo	165	Winter Harbor	18	Hillsdale	1,173	Weldon Springs	17,715
				Holland	176	West Plains	49
KANSAS	59,383*	MARYLAND	319,836*	Iron Mountain	16		
Atchison	43	Aberdeen	2,718	Jackson	1,875	MONTANA	1,134*
Colby	1	Abingdon	3	Kalamazoo	420		
Columbus	40	Baltimore	283,021	Lansing	858	Billings	174
Fort Leavenworth	846	Carderock	58	Lincoln	10	Butte	47
Fort Riley	5,586	Cascade	247	Manistee	210	Great Falls	97
Fort Scott	55	Cheltenham	121	Marquette	36	Harlowton	44
Holton	69	Crisfield	71	Midland	78	Havre	17
Lawrence	91	Denton	11	Monroe	13	Helena	198
Manhattan	7	Edgewood	3,331	Muskegon	26,665	Kalispell	83
Moundridge	1	Elkton	1,230	Muskegon Heights	99	Lewistown	39
Newton	28	Fort George G. Meade	8,395	Niles	13	Missoula	259
Pittsburg	7	Frederick	122	Palmyra	49	Poplar	43
Topeka	44	Frostburg	59	Pellston	48	St. Regis	16
Wichita	51,235	Hagerstown	9,233	Port Huron	841		
		Indianhead	6,040	Saginaw	16,214	NEBRASKA	20,805*
KENTUCKY	41,822*	Joppa	2	St. Joseph	1,699		
		Piney Point	20	Sault Ste. Marie	515	Ashland	14
Bowling Green	4	Point Breeze	27	Sturgis	12	Fort Robinson	24
Carlisle	21	Port Deposit	28	Traverse City	442	Grand Island	44
Danville	13	Salisbury	65			Hastings	206
Eddyville	2	Secretary	312	MINNESOTA	16,976*	Kearney	18
Fort Knox	14			Duluth**	2,855	Lincoln	630
Frankfort	355	MASSACHUSETTS	832,144	Omaha**	14,457		
Harlan	25	Ashland	63			NEVADA	3,363*
Harrodsburg	23	Athol	524	Paribault	97		
Hopkinsville	17	Ayer	9,528	Hibbing	45	Boulder City	358
Irving	48	Barnstable County***	52	Little Falls	621	Elko	25
Lexington	2,094	Boston**	801,316	Minneapolis-St. Paul**	14,618	Hawthorne	2,363
Louisville**	88,450	Barnstable County***	52	Owatonna	4	Las Vegas	404
Mayfield	34	Boston**	801,316	Winona	126	Reno	11
Middlesboro	1	Falmouth	7,240	MISSISSIPPI	19,118*	Tinopah	185
Princeton	31	Fitchburg	4,563				
Richmond	17	Fourth Cliff	1	Brookhaven	110		
Springfield	23	Gardner	20	Clarksdale	63	NEW HAMPSHIRE	96,377*
		Greenfield	1,623	Clay County	10		
LOUISIANA	34,797*	Housatonic	48	Cleveland	26	Auburn	17
Alexandria	8,747	Hyannis	116	Columbia	64	Claremont	118
Baton Rouge	1,098	Ipswich	1	Columbus	43	Concord	71
Concordia	18	Jamaica Plains	13	Greenville	119	Derry	53
Crowly	34	Kingston	94	Greenwood	6	Dover	271
East Carroll County***	30	Leominster	180	Hattiesburg	9,811	Franklin	563
Franklin County***	37	Lowell**	7,067	Jackson	3,211	Hooksett	17
Lake Charles	78	Middleboro	213	Laurel	53	Keene	276
Leesville	7,294	Milford	888	Lowndes County***	10	Laconia	664
Madison County***	30	Millis	19	Meridian	450	Manchester	2,614
New Orleans**	15,494	Monson	24	Monroe County***	28	Milan	711
Richland County***	67	North Adams	172	Moorhead	21	Milton	62
Shreveport	1,685	North Truto	1	New Albany	75	Nashua	1,673
West Carroll County***	30	Pigeon Cove	13	Oktibbeha County***	10	Newcastle	55
		Pittsfield	701	Pascagoula	28,299	Portsmouth	42,610
MAINE	178,699*	Plymouth	103	Picayune	104	Rochester	217
Auburn	187	Sandwich	23	Starkville	53	Wilton	70
Augusta	262	Shelbourne Falls	14	Tupelo	22		
Bangor	1,765	Southbridge	652	Union	75	NEW JERSEY	1,359,051*
Bath	164,580	Springfield**	14,406	Vicksburg	9		
Biddeford	14	Taunton	62			Atlantic City	743
Brunswick	836	Webster	746	MISSOURI	335,534*	Bridgeton	351
Camden	54	Winchendon	3			Cape May	808
Cape Cottage	242	Worcester**	15,367	Atlas	168	Carney's Point	701
Cape Elizabeth	2	Worthington	7	Aurora	97	Fort Dix	14,179
Caribou	161			Caruthersville	9	Egg Harbor	55
Corinna	236	MICHIGAN	722,881*	Chaffee	8	Elmhurst	66
Cushing	119	Adrian	13	Clarksville	16	Freehold	132
East Boothbay	273	Albion	6	Farmington	172	Hackettstown	18
Houlton	425	Algonac	54	Payette	38	Hammonont	33
Lewiston	804	Allegan	1	Festus	2	Highbridge	101
Lisbon Falls	109	Almont	88	Gideon	202	Hightstown	15
Millinockett	168	Ann Arbor	114	Jefferson City	276	Johnstown	7
North Vassalboro	8	Battle Creek	17,862	Joplin	72	Kenvil	967
Norway	39	Bay City	13,544	Kansas City**	10,368	Lake Denmark	11
Old Town	148	Belding	7	Kennett	24	Lakehurst	229
Pittsfield	78	Benton Harbor	47	Kirksville	28	Long Beach	2
Portland	1,762	Chelsea	2,340	Lake City	81,075	Manville	37
Presque Isle	442	Clinton	362	Mexico	25	Millville	747
Princeton	400	Coldwater	372	Moberly	130	Oldmans Township	103
		Detroit**	564,442	Neosho	17	Pedricktown	29
		Eaton Rapids	525	Rolla	8,429	Pennagrove	88
				St. Joseph	28	Pennsville	60

Location	Amount (in 000's)	Location	Amount (in 000's)	Location	Amount (in 000's)	Location	Amount (in 000's)	
NEW JERSEY (continued)		Cliffside	\$ 37	Marietta	\$ 268	Carlisle	\$ 568	
Raritan	\$ 559	Cooleemee	202	Marion	639	Chambersburg	787	
Trenton**	5,665	Cramerton	2,313	Middletown	156	Clearfield	29	
Ventnor City	86	Dunn	72	Mingo	15	Coaldale	49	
Vineland	643	Durham	120	Mount Gilead	96	Coatesville	3,365	
Wildwood	50	Elkin	4,003	Mount Vernon	76	Danville	1,681	
Woodbine	309	Fayetteville	19,569	Newark	53	Doylestown	84	
Wrightstown	168	Friendship	254	New Bremen	119	Dunbar	145	
NEW YORK		Gastonia	1	Osborn	78	Economy	218	
	1,323,476*	Goldsboro	169	Piqua	101	Ellwood City	103	
		Greensboro	674	Plymouth	302	Erie	4,948	
Albany**	56,956	Henderson	2,886	Port Clinton	109	Etters	11	
Amagansett	3	Hickory	283	Portsmouth	102	Fairview Township	114	
Amsterdam	28	High Point	1,500	Ravenna	55,230	Falls Creek	27	
Auburn	9,755	Holly Ridge	8,612	St. Marys	7	Fleetwood	408	
Averill Park	390	Kannapolis	769	Sandusky	23,889	Franklin	36	
Ballston	75	Kinston	105	Shelby	7	Freeland	23	
Batavia	58	Lexington	15	Sidney	1,329	Gilbertsville	18	
Beacon	33	Mantes	10	Springfield	3,369	Goldsboro	24	
Binghamton	7,070	Mayodan	121	Tiffin	256	Greenville	591	
Booneville	17	Mebane	52	Tippecanoe	2,699	Hamburg	3	
Brookhaven	866	Mooreville	27	Toledo	15,462	Hanover	514	
Buffalo**	213,223	Mount Airy	222	Tremont City	4	Harrisburg**	5,102	
Cortland	3	New Bern	111	Troy	104	Hazleton	203	
Corning	87	North Landing River	1	Urbana	233	Horrell	11	
Elmira Heights	6,089	Raleigh	4	Van Wert	80	Hummels Wharf	4	
Fishers Island	571	Roanoke Rapids	45	Versailles	83	Indiantown	6,191	
Ponda	86	Rocky Mount	32	Xenia	51	Irvine	1,231	
Fulton	31	Shelby	67	Waterville	267	Johnstown	365	
Glen Falls	38	Spindale	1	Wellston	5	Kane	40	
Groversville	504	Spray	1,266	Wellsville	163	Lancaster	1,268	
Granville	311	Spruce-Pine	13	Wilmington	3	Lebanon	95	
Great Bend	5,824	Statesville	10	Wooster	9	Lewistown	60	
Greenport	631	Tarboro	43	Wright	50	Lykens	57	
Hudson	3	Taylorsville	26	Youngtown**	5,899	Marietta	14	
Hudson Falls	147	Thomasville	474	OKLAHOMA	9,703*	McSherrystown	359	
Ithaca	17	Valdese	198			Meadville	147	
Johnstown	484	Warrenton	60			Millersburg	31	
Little Falls	37	West Durham	407	Bartlesville	1,279	Milton	1,422	
Lockport	34	West End	15	Chickasha	18	Muncy	1	
Massena	14	Wilmington	5,169	El Reno	10	New Brighton	32	
Mayfield	36	Winston-Salem	1,077	Lawton	4,572	New Castle	1,055	
Mechanicsville	73	Yadkin	192	Miami	41	Nicetown	10,433	
Newark	9	NORTH DAKOTA		534*	Muskogee	366	North East	5
Newburgh	1,350			Oklahoma City	735	Oil City	302	
New Hamburg	506	Bismarck	213	Sperry	44	Pen Argyle	12	
New York City**	1,731,088	Fargo	83	Tulsa	2,243	Perkasie	433	
Norwich	540	Minot	70	OREGON	49,531*	Philadelphia**	132,204	
Ogdensburg	82	OHIO		414,966*		Phillipsburg	274	
Oneida	657			Albany	21	Pine Grove	60	
Oswego	500	Ada	23	Astoria	1	Pipersville	44	
Painted Post	300	Akron**	20,723	Bonneville	4,200	Pittsburgh**	60,507	
Patchogue	74	Amherst	89	Columbia River	119	Port Carbon	16	
Perry	20	Ashland	10	Cottage Grove	41	Pottstown	899	
Phoenicia	5	Baltimore	4	Fort Stevens	758	Pottsville	45	
Plattsburg	52	Barnesville	47	Hammond	18	Quakertown	19	
Poughkeepsie	226	Bellefontaine	1	Hermiston	7,548	Reading**	4,901	
Rochester**	45,930	Bryan	258	Kenton	125	Richlandtown	104	
Sackett's Harbor	243	Bucyrus	212	Klamath Falls	21	Ridgeway	48	
Schuyler Falls	27	Canton**	54,514	Medford	188	Salunga	15	
Schuylerville	70	Carrollton	1	Molalla	1	Sayre	51	
Seneca Falls	37	Chillicothe	13	North Bend	350	Scranton**	4,336	
Sidney	269	Cincinnati**	163,703	Portland	29,629	Shamokin	62	
Spencerport	12	Cleveland**	155,440	Redmond	17	Souderton	249	
Stillwater	97	Clyde	33	Richmond	118	Sunbury	94	
Suffolk County***	144	Columbiana	16	Salem	409	Titusville	1,260	
Syracuse**	17,742	Columbus**	20,946	Tongue Point	171	Warren	21	
Utica**	51,197	Dayton	27,971	Warrenton	151	Watson	2,721	
Wappingers Falls	142	De Graff	15	PENNSYLVANIA	1,005,427*	Waynesville	1,203	
Warrensburg	51	Delphos	123			Williamsport	13,781	
Warsaw	126	Dover	90	Albion	219	York	9,146	
Watertown	95	East Liverpool	123	Allentown**	172,435	RHODE ISLAND		47,541*
Wellsville	100	Electric	5	Altoona	49	Chepocket	133	
West Point	208	Elyria	469	Apollo	105	Hamilton	1	
Wheatfield Township	1,023	Fairfield	2,196	Athens	119	Harrisville	582	
Youngstown	344	Findlay	128	Bally	8	Narragansett Bay	537	
NORTH CAROLINA		Galion	845	Bangor	342	Peace Dale	133	
	54,125*	Greenfield	649	Barnsboro	10	Providence**	50,512	
Alamance	48	Greenville	101	Beaver	12	Saunderstown	37	
Asheboro	51	Hamilton	13,598	Beaver Falls	192	SOUTH CAROLINA		143,248*
Asheville	105	Kings Mills	1	Bellefonte	13			
Biltmore	44	La Carne	56	Berwick	59,859			
Burlington	73	Lancaster	29	Biglerville	32	Andrews	1	
Catawba	39	Lorain	21	Bradford	15	Barnwell	130	
Chapel Hill	138	Mansfield	97	Butler	4,585	Beaufort	98	
Charlotte	2,641							

Location	Amount (in 000's)	Location	Amount (in 000's)	Location	Amount (in 000's)	Location	Amount (in 000's)	
SOUTH CAROLINA (continued)								
Cameron	\$ 81	Bracketville	248	Bassetts	29	Beckley	23	
Charleston	72,004	Brady	142	Bedford	242	Charleston	146	
Clevedale	102	Brownsville	609	Big Bethel	34	Clarksburg	125	
Columbia	9,212	Brownwood	4,198	Blacksburg	249	Grafton	70	
Fairfax	1	College Station	131	Bristol	193	Huntington	1,663	
Florence	24	Corpus Christi	31,165	Cape Henry	290	Kingswood	31	
Goffney	31	Corsicana	253	Charlottesville	58	Martinsburg	276	
Graniteville	900	Cuero	150	Christiansburg	134	Morgantown	15,145	
Greenville	551	Dallas	13,328	Dahlgren	887	Parkersburg	228	
Greenwood	404	Denison	77	Danville	377	Point Pleasant	8,249	
Hampton	31	Eagle Pass	136	Emporia	19	South Charleston	51,114	
Lyman	149	El Paso	4,152	Fieldale	10	Weirton	18	
Monck's Corner	14	Galveston	6,115	Franklin	13	Wheeling**	1,298	
Moultrieville	1	Greenville	71	Fredericksburg	41	Williamson	7	
Myrtle Beach	35	Houston	30,569	Front Royal	40			
North Charleston	20	Laredo	23	Glen Wilton	88	WISCONSIN		91,005*
Orangeburg	65	Lavaca County***	71	Goochland	7	Appleton	92	
Paris Island	6,846	Lubbock	228	Harrisonburg	19	Baraboo	331	
Ridgeland	2	Marfa	120	James City County***	21	Barksdale	455	
Rock Hill	39	Mexia	10	Riptopeake	5	Beloit	6,007	
Spartanburg	6,863	Midland	106	Camp Lee	7,539	Brandon	101	
Travellers Rest	231	Mineral Wells	5,546	Lynchburg	1,097	Burlington	37	
Union	127	Nocona	57	McKenney	18	Chippewa Falls	432	
		Orange	98,583	Manassas	9	Combined Locks	63	
		Palacios	1,664	Marian	77	Delavin	355	
SOUTH DAKOTA		Rio Grande	9	Norfolk**	756,600	Eau Claire	8	
Aberdeen	62	Rockport	241	Oyster	9	Edgerton	79	
Huron	33	San Angelo	1,188	Petersburg	368	Goodman	17	
Pierre	15	San Antonio**	14,579	Pulaski	16,141	Green Bay	66	
Rapid City	229	Sherman	44	Quantico	2,685	Janesville	29	
Sioux Falls	61	Spoffard	163	Radford	59,500	Juneau	13	
Spearfish	1	Taylor	2,275	Reedville	12	La Crosse	448	
Sturgis	172	Texas City	3,500	Richmond	1,048	Madison	996	
Vermillion	14	Waco	3,297	Roanoke	1,065	Manitowoc	33,424	
		Wichita Falls	18	South Boston	35	Marinette	911	
		Fort Worth	1,620	Suffolk	188	Marshfield	29	
		Yoakum	51	Tazewell	312	Milton	24	
TENNESSEE				Virginia Beach**	2,690	Milwaukee**	28,904	
Alcoa	2	UTAH		Warwick County***	21	New Holstein	12	
Centerville	35			Winchester	537	New Richmond	1	
Chattanooga**	9,597	Lehi	75	York County***	21	Oshkosh	1,832	
Cleveland	179	Logan	121	Yorktown	2,224	Platteville	52	
Crossville	18	Ogden**	13,697	WASHINGTON		Portage	42	
Dayton	34	Vernal	2	Aberdeen	505,288*	Port Washington	16	
Erwin	132	Wendover Field	160	Bellingham	582	Racine**	10,931	
Franklin	40			Cape Flatery	3	Sheboygan	418	
Humboldt	24,720	VERMONT		2,296*	850	Sparta	79	
Jackson	67	Fort Ethan Allen	101	Columbia	129	Stoughton	82	
Johnson City	5	Barre-Montpelier	2	Coupeville	154	Sturgeon Bay	838	
Knoxville	1,697	Bellows Falls	28	Hoquiam	404	Two Rivers	187	
La Follette	73	Bennington	64	Mount Vernon	50	Watertown	20	
Lebanon	489	Berlin	198	Olympia	148	Wausau	854	
Lewisburg	61	Bolton	23	Onalaska	4	West Bend	422	
Memphis	614	Brattleboro	41	Port Angeles	212	Whitewater	57	
Milan	12,100	Burlington	937	Port Townsend	911	Camp Williams	496	
Murfreesboro	20	Colchester	23	Puget Sound	29,589			
Nashville	2,327	Derby Line	1	Pullman	29	WYOMING		2,283*
Shelbyville	124	Jericho	23	Seattle**	662,775	Cheyenne	94	
Spring City	49	Lyndonville	5	Spokane	1,552	Sheridan	88	
Springfield	568	Northfield	17	Tacoma**	15,476	Port Warren	1,971	
TEXAS		St. Johnsbury	9	Tongue Point	249			
Abilene	4,239	Springfield	669	Vancouver	1,052	DISTRICT OF COLUMBIA		16,465*
Amarillo	19	Underhill	23	Walla Walla	311	Washington**	55,904	
Austin	273	Windsor	20	Washougal	9			
Beasley	6	Winooski	18	Yakima	261			
Beaumont	33	VIRGINIA		852,896*	WEST VIRGINIA		78,827*	

* State figures cover July 1, 1940, to February 28, 1941.

** Includes suburbs.

*** County expenditures not distributed by city.

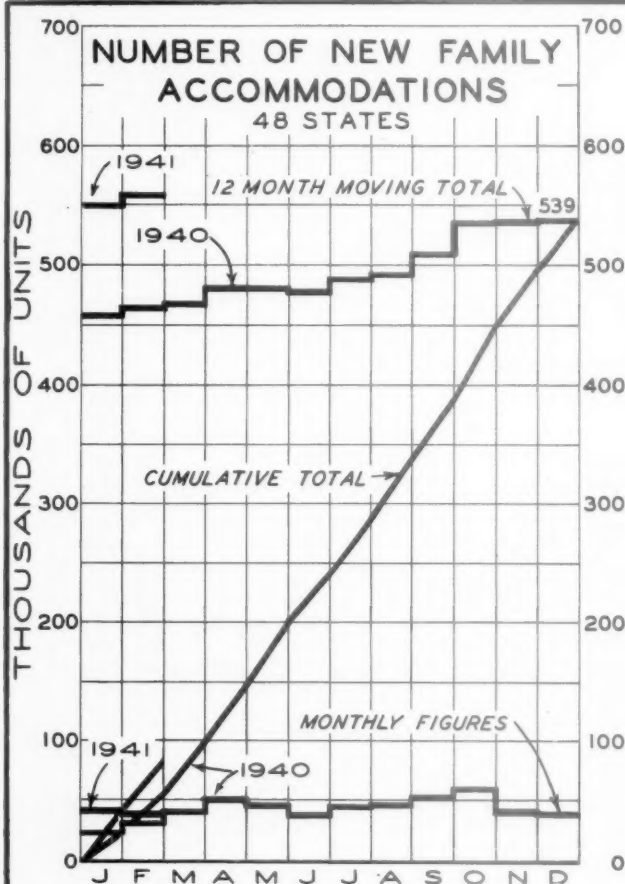
BUILDING COSTS - CONTINUED FROM PAGE 77

each quarter from 1937, their revised figures and the figures of Real Estate Analysts, Inc.

Since these two lines have developed different trends our figures have been checked and rechecked. We have secured actual bids through contractors as an additional check. We have offered to check our figures - item by item - with the FHLBB. We have pointed out that their figures show actual construction costs in St. Louis to be

lower in October of 1940 than they were in January, which, in the opinion of the contractors we have consulted, is not in accord with the facts. We believe that our own figures represent the actual variation in construction costs in this area during this period.

If actual construction costs in St. Louis have varied as widely from the FHLBB figure as our study would indicate, it might bring into question the reliability of their cost figures in other cities as well.

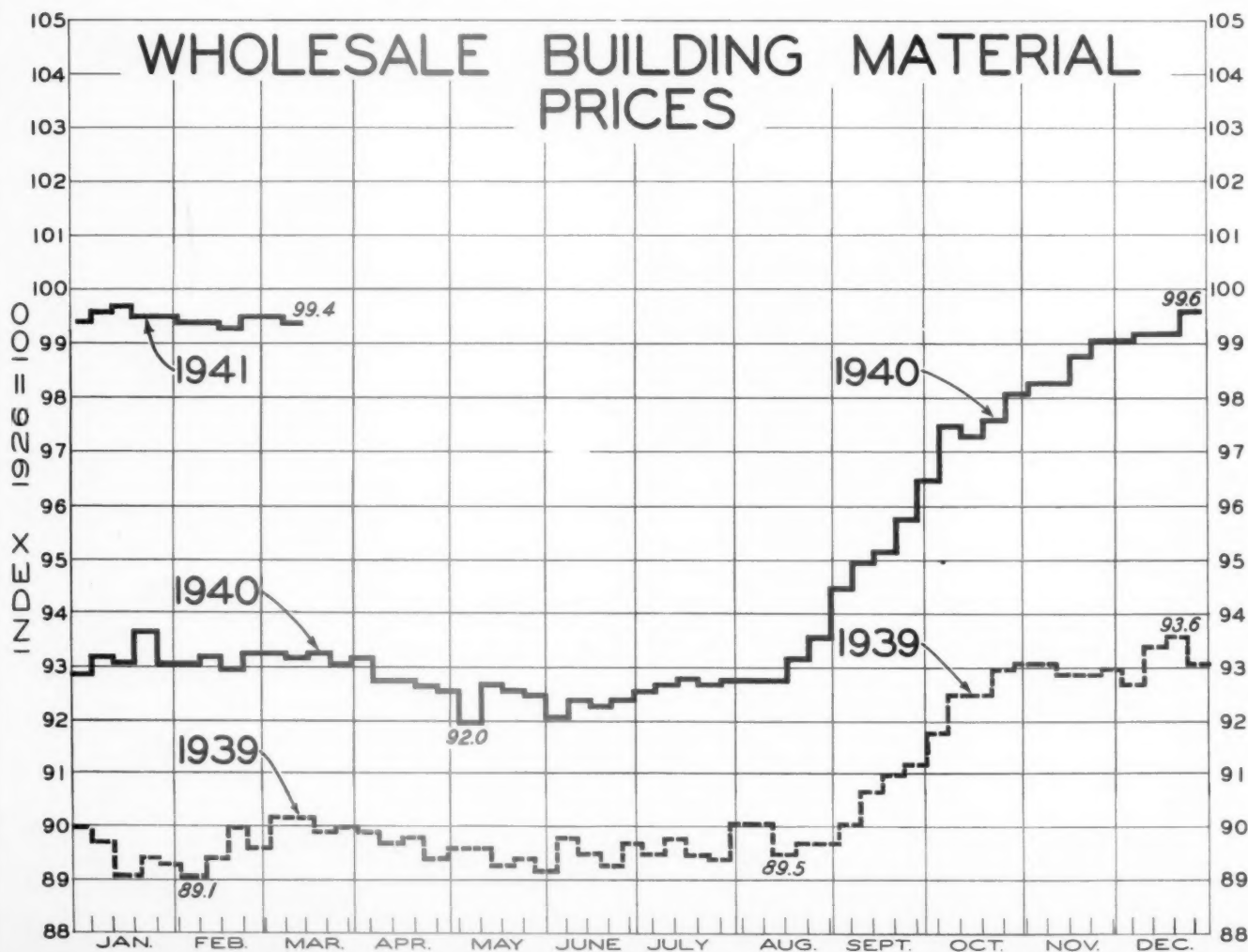


DWELLING UNITS CONSTRUCTED IN 48 STATES
(in thousands of units)

	Monthly			Cumulative			12 Month Moving Total		
	1939	1940	1941	1939	1940	1941	1939	1940	1941
January	30.1	25.7	40.4	30.1	25.7	40.4	345	461	553
February	29.2	33.7	40.2	59.3	59.4	80.6	359	465	560
March	39.4	42.0		98.7	101.4		375	468	
April	36.6	51.1		135.3	152.5		386	482	
May	49.6	49.1		184.9	201.6		409	482	
June	40.6	38.8		225.5	240.4		422	480	
July	38.1	48.9		263.6	289.3		423	491	
August	46.2	49.4		309.8	338.7		435	494	
September	35.7	53.0		345.5	391.7		435	511	
October	36.1	62.4		381.6	454.1		439	537	
November	42.5	42.7		424.1	496.8		450	538	
December	40.9	41.9		465.0	538.7		465	539	

THE chart to the left and the table above show the number of new family accommodations built in all non-farm communities of the 48 states and the District of Columbia. 1940 is indicated in black and 1941 in red.

Charted below are wholesale building material prices by weeks, as compiled by the Bureau of Labor Statistics. The average of these prices is 99.4% of their 1926 level.





MARCH 31
1941

EXECUTIVE DIGEST

OF THE CURRENT REAL ESTATE ANALYST REPORTS

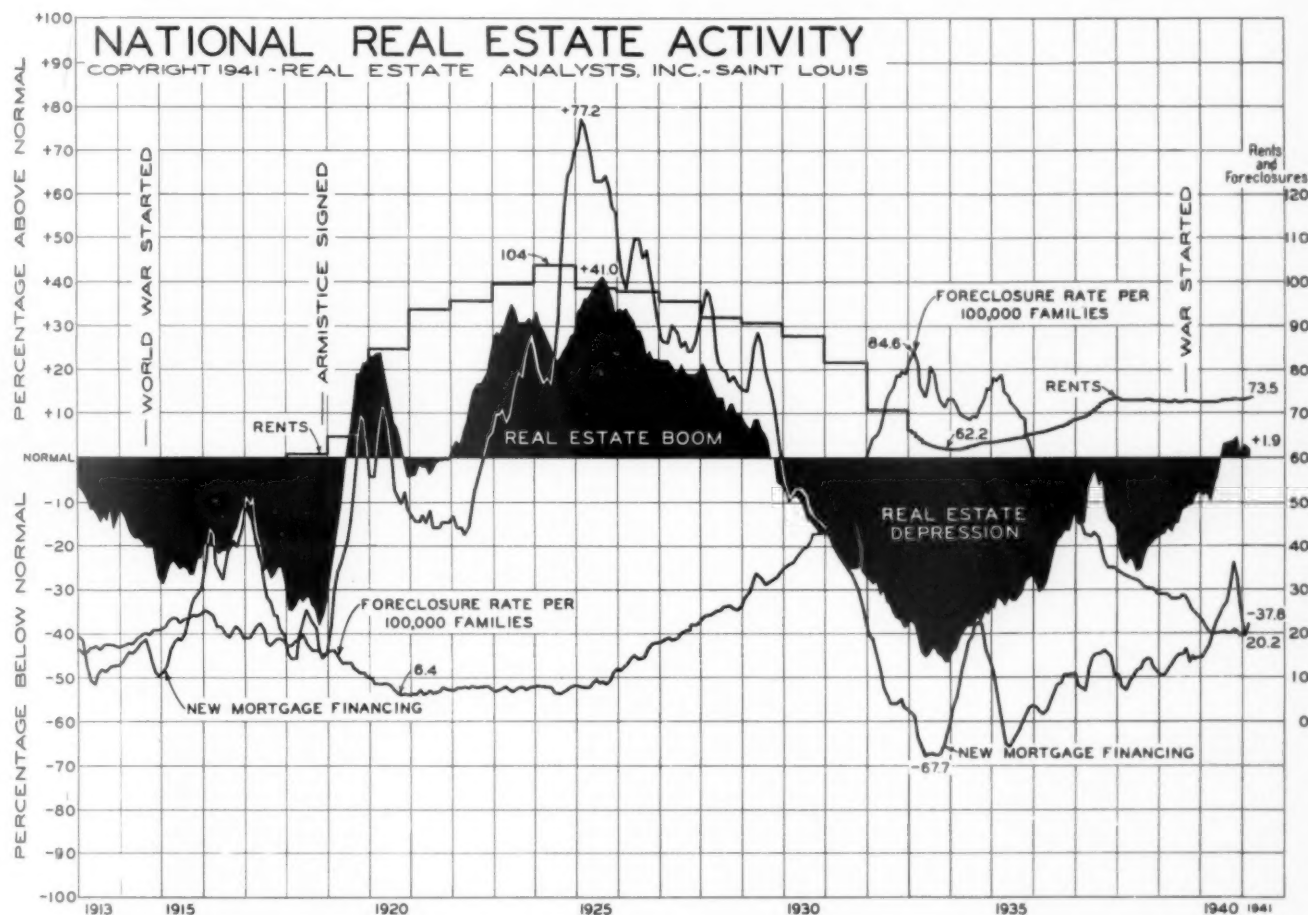
REAL ESTATE ANALYSTS, INC.

Real Estate Economists, Appraisers and Counselors

Roy Wenzlick
Editor

VOLUME X

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FEBRUARY and March have been rather quiet months in real estate, with the exception of marked activity in new building, particularly in connection with the defense program. Most of the indexes, however, have shown a tendency to move up slightly, probably as a secondary effect from the defense expenditures which are now exceeding half a billion dollars a month, with the possibility that some months may exceed a billion dollars before the year is over.

While in some cities new activity and construction may assume more of a permanent nature, investors, mortgage lenders and real estate operators should have constantly before them the source of this added prosperity and the fact that its duration will probably be limited.

The chart above, which can be used for bringing up to date the long chart published by Real Estate Analysts, Inc., shows that real estate activity decreased slightly in February, ending the month at 1.9% above normal. This is in contrast with the final figure of 2.6% above normal in January. This national index is based upon the number of voluntary transfers of real estate in

non-farm communities.

Foreclosures experienced only a slight increase in January over December 1940, which was a new low for the past 14 years. Foreclosures will continue to drop in 1941, but not at the rate experienced during the last seven years.

Residential rents continued a slight upward trend in March after three years of little change. In many cities of small and medium size adjacent to large cantonments the demand for dwelling space has exceeded the possibility of supply, with more rapid rental increases; and in some cases, with real emergency conditions. As a rule, however, the rental increases in most places have been quite slight.

New mortgage financing is shown on the chart as deviations above and below the normal line. February (-37.8) assumed a more favorable position in relation to January (-40.0). Mortgages selected for appraisal and accepted for insurance by the FHA increased in February. The first two months of 1941 were better than the corresponding period of 1940. From preliminary estimates based on the first three weeks in March, the number of applications made for FHA loans will probably be the highest in FHA history. This would indicate a record breaking volume of small home construction during April and May.

From January 1940 to January 1941 employment increased 1,868,000, of which 600,000 were engaged in the construction industry, and pay rolls increased from an index of 99.8 to 119.8 (1923-1925 = 100). Whereas general commodity prices have only increased slightly over their low of last summer, building material prices have increased about 8%. In spite of these increased activities, industrial stock prices are more than 15% below the level of a year ago.

The Real Estate Analyst for March has continued the study of the six-room frame residence built in St. Louis after a rather careful check of its figures during the past few years. The cost of building this house in January was \$6797; in February, \$6789; and in March, \$6721. The reason for the recheck of our figures has been a wide discrepancy in trend between a similar house in St. Louis figured by the Federal Home Loan Bank Board and the one which we have computed back to 1913. The government index showed a drop in construction costs in St. Louis between January and October of 1940. Our index showed a rise of more than \$500. Although several conferences have been held with representatives of the Federal Home Loan Bank Board, the reason for the discrepancy has not yet been determined. We have found, however, that their index in a number of cases is based on typical items rather than on the actual number and kind of items which are used. We think that some further discrepancy may be accounted for in the fact that our index included all of the items of over-head which are actually present in building a house. We feel confident that the fluctuations of our index more nearly represent the actual fluctuations in this area in construction costs than does the index which the Federal Home Loan Bank Board publishes quarterly.



VOLUME X

APRIL 21,
1941

As I see it

THE ANSWER IS NOT RENT CONTROL AND GOVERNMENT BUILDING

THE National Defense Advisory Commission has suggested to the various states the passage of "emergency fair rent legislation." It suggests that in each community where defense activity prevails, rents be frozen at the last level that prevailed at the time that defense activity in that community started. The assumption is that rent control of this sort would help solve the dwelling problem for defense workers.

In the April issue of the Architectural Forum, Dr. Edith Elmer Wood of the United States Housing Authority not only plugs for the bill but denounces private building as a solution of the defense problem. In her article she attacks Housing Coordinator Palmer for offering private industry an opportunity to build homes in defense centers before government building is started.

Public Housers always get quite enthusiastic in their advocacy of rent control, for rent control plays directly into their hands. If rents on privately owned property cannot rise, building under private initiative stops as building costs in a period like the present become too high to make possible the construction of a building that will be worth what it cost to erect. The failure of private building to meet the demand after the passage of rent control is used as the excuse for the necessity of public subsidized housing.

As I see the problem, the solution lies not in rent control and public housing but in the following:

1. A better distribution of defense contracts.
2. A free rent market.
3. Stimulation of private building.
4. Supplementary housing of a "dismountable" nature furnished by the federal government in those communities where, because of certain natural advantages, large amounts of defense work will be concentrated.

Let us analyze these four methods of approach.--

1. If the United States is to make rapid progress in the production of defense materials, it can do so only by decentralizing this production as completely as possible. It seems rather illogical to concentrate large amounts of defense production in cities lacking both plant capacity and housing accommodations. To do this merely causes wholesale migrations of workers from areas in which sufficient facilities now exist to areas where facilities of all sorts must be created - putting an additional burden in the creation of these

facilities on our producing capacity. At a time when we are operating at capacity, every hour of labor and every pound of material devoted to new streets, new sewers, new water lines, new electric transmission lines, etc., is subtracted directly, in the final analysis, either from the sum total of our defense activities or from the standards of living of our people. Added to this is the problem we are creating for the post-war period, when the centralized defense areas will become either areas of intense industrial unemployment, or else ghost cities. In our opinion, the only logical solution to this problem lies in forcing the very maximum of subcontracting on government jobs to small communities where adequate facilities already exist.

2. Rent control is not new. Like all other types of price control it has been tried again and again, both in Europe and in various sections of America, without success. Rents rise because insufficient housing exists in the community in question. The rise in rents stimulates construction and the shortage is relieved. Rent control prevents private construction and the shortage continues, unless the government itself builds housing accommodations which - when finished - will rent for an amount insufficient to pay a return on the investment. The creation of this last condition, in spite of our rapidly mounting debt, seems to bring special joy to the hearts of the Public Housers. In our opinion, as we have often said, the best cure for high rents is high rents and the best cure for low rents is low rents.

There is another element in the freezing of rents which many of the frenzied appeals for rent control have apparently not taken into consideration. If rents are frozen at a given level and the demand increases tremendously, little doubling-up occurs, for there is now no financial incentive to occupy a smaller amount of space. Those who have living accommodations at the time that the freezing takes place continue to occupy the same number of square feet per person which they occupied before the emergency arose. The number of persons who can be accommodated by the existing amount of housing remains fixed, and new-comers find themselves without any possibilities whatever of securing accommodations. If, on the other hand, rents are allowed to rise when emergencies develop, it becomes necessary for many people renting large homes to devote a part of their space to the taking in of roomers and boarders. In this way a given amount of housing will take care of a far larger number of individuals during the emergency period in which new building is being done.

3. Private building can take care of any logical demand, provided defense contracts are sufficiently decentralized. If rents and values are allowed to rise with demand, this will be particularly true with the passage of Title VI of the FHA. We believe that this provision will stimulate a large amount of residential building in the 144 cities that the president has designated Defense Cities. If, however, defense contracts are unduly centralized in certain areas, resulting in large temporary migrations to those areas, the post-war problem, both for the city and for the workers who have purchased homes, will be tremendously severe. Title VI, in our opinion, will then have many of the disadvantages of other legislation designed to cope with the present emergency. It will result in far heavier foreclosures among those who buy under its provisions, with the resulting heartaches and social unrest which always accompany a period of high mortgage foreclosures.

4. We believe that in certain areas where, because of natural advantages large amounts of defense work must be concentrated the wisest policy would be the construction by the federal government itself of "dismountable" housing -

housing that can be constructed rapidly and that can be demounted when the emergency is over, shipped to other localities and sold wherever it can be used to advantage.

The Public Housers object to a free market for rents on the ground that the present owners of real estate offered for rent will - in the words of Dr. Edith Elmer Wood - profiteer "at the expense of their fellow townsmen, old and new, at the risk of sabotaging the whole national effort." She further states that if the national emergency "justifies conscription of man power for the army and navy and taxation of excess profits of industry, doesn't it justify the prevention of excess profits in the provision of shelter for war industry workers." Apparently Dr. Wood does not realize that, regardless of whether profits are made from manufacturing, wages, rents or from writing articles, the government will take a large percentage of these profits in taxation to meet defense expenditures.

Let us examine, however, the complaints regarding present rent levels. The Bureau of Labor Statistics has for many years compiled figures on the cost of living in the principal cities. According to their figures, averaging the period 1923 to 1925 as 100, the cost of living at the present time in the United States is 83.3. Clothing is 80.8; food, 79.3; fuel and light, 88.1; and the miscellaneous items that go into the budget, 99.4. In contrast, rent as an item of the cost of living is only 70.0 of the 1923 - 1925 level.

But are rents increasing at the present time in most cities at an alarming rate? I have before me the report just published of the National Industrial Conference Board on the cost of living in 56 cities. I find from this report that rents between March 1914 and March 1941 have increased far less than the cost of living. The cost of living in this period increased in every city on their list by from 0.2% to 4.1%. In 50% of the cities the increase was between 1.4% and 2.6%. The average (median) increase for all cities was 1.9%.

During the past year in which the cost of living was increasing at this rate, six cities showed a decrease in rents; nine showed no change. The average of all cities showed a 0.9% increase - or less than half of the increase in the cost of living in the same cities. The middle 50% of all cities showed an increase in rents of from 0% to 2.2%. Only three cities showed an increase of more than 5%. Employment and wage figures are not yet available through March 1941, but for the period from February 1940 to February 1941 employment increased by 14.9%, total payrolls by 30.7% and the average weekly wages of industrial workers by 13.8%. From these figures it is clearly apparent that the average worker in America today is paying a smaller percentage of his weekly wage for housing than he did - not only before the defense program started, but also than he has at any time since 1913. Residential rents have not kept pace with the other items of the cost of living nor with changes in the purchasing power of the population.

In spite of these facts Dr. Wood concludes her article in the current issue of the Architectural Forum by asking, "What are we arming to defend anyhow? The America of George Washington and Abraham Lincoln? Or the America of George F. Babbitt?" It seems to me that in this attempt to close her attack on private housing by waving the flag, her illustrations are poorly chosen. At the time of his death George Washington owned 60,202 acres of land in five states, and during the greater part of his lifetime developed a number of subdivisions and speculated in both farm and city property. Before the Revolution